Nitta Gelatin India Limited
(Formerly Kerala Chemicals and Proteins Limited)
Joint venture of Kerala State Industrial Development Corporation Ltd. and Nitta Gelatin Inc.

Post Box 4262
56/715 SBT Avenue
Panampilly Nagar
Cochin - 682 036 India
Tel : 0484 2864400, 2317805
Fax : 0484 2310568
Email : ro@nittagelindia.com

GELATIN DIVISION
Post Box 3109
PO Info Park, Kakkanad
Cochin - 682 042 India
Tel : 0484 2869300, 2869500
Fax : 0484 2415504
Email : gd@nittagelindia.com

OSSEIN DIVISION
PO Kathikudam
(Via) Koratty
Trichur - 680 308 India
Tel : 0480 2749300, 2719598
Email : od@nittagelindia.com

CIN : L24299KL1975PLC002691

Website : www.gelatin.in

29th July, 2022

BSE Ltd.,
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street,
Mumbai- 400 001

Dear Sir,

SCRIP CODE: 506532

Sub: Corrigendum to the Notice of the Annual Report 2021-2022.
Ref: Our letter dated 13th July, 2022

We had forwarded the Annual Report for the Financial Year 2021-2022 which had included the Notice of the 46th Annual General Meeting (AGM) of our Company vide our letter cited above.

We hereby inform that pertaining to item no. 8 of the Notice to the Annual General meeting- Appointment of Prof. (Dr.) M. K Chandrasekharan Nair (DIN: 09572230), the resolution to be passed by the Shareholders was inadvertently mentioned as " Ordinary Resolution" instead of " Special Resolution". Hence the words "Ordinary Resolution" to be read as "Special Resolution" in item no. 8.

The amended notice to the Annual General Meeting, which in all other respects remains the same. The full Annual Report 2021-2022 including the notice is enclosed herewith. We had also published the Corrigendum in Business Line (English) and Mangalam (Malayalam) newspapers which was separately uploaded.

We request that the above information may please be taken on records.

Thanking you.
Yours faithfully,

For **Nitta Gelatin India Limited**

Vinod Mohan
Company Secretary and Compliance Officer
Encl.: as above.

NITTA GELATIN INDIA LIMITED KOCHI 682 036

46th ANNUAL REPORT 2021 - 22

Nitta Gelatin India Limited

www.gelatin.in

Message from
Koichi Ogata

President,
Nitta Gelatin Inc.
Osaka, Japan

2-22, Futamata, Yao City,
Osaka 581-0024, Japan

Dear Shareholders,

At the outset, I would like to congratulate the entire team of Nitta Gelatin India Ltd. for having recorded the highest turnover and net profit in the year 2021-22 and that too amidst turbulent times with the Omicron variant of the Pandemic spreading rapidly and the rising geopolitical tensions.

We are optimistic that the Company is going to do well in future also under the guidance of the new Managing Director, Mr. Philip Chacko M, who has taken charge from Mr. Sajiv K. Menon, who has stepped down after an immensely successful tenure of eight years. We have in Mr. Philip Chacko M, a seasoned professional who comes with loads of experience in leadership roles in diverse industries backed by very impressive academic credentials.

The geopolitical tension in Europe which started in February 2022 has imparted a strong shock that threatens to overwhelm the global economy. Inflation measured by the Wholesale Price Index (WPI) rose sharply from 1.3 per cent in 2020-2021 to 13 per cent in 2021-2022, with an intra-year peak of 14.9 per cent in November 2021 in India. If geopolitical tensions ease, ongoing global supply disruptions could dissipate and enable World trade to regain momentum.

Amidst these adverse international developments, the Indian economy is relatively better positioned to strengthen the recovery that is underway and with improved macroeconomic prospects going forward.

In the industrial sector, manufacturing showed an uptick despite headwinds from persevering global supply bottlenecks and subdued discretionary consumption and investment. Omicron variant has run amok affecting a lot of people. I appreciate the efforts of the Company for taking various measures for ensuring the health and safety of our most valuable asset, our employees. It is good to know that all of us have started to learn to live with Covid.

The global Gelatin market is expected to grow from $2.46 Billion in 2021 to $2.62 Billion in 2022 at a compound annual growth rate (CAGR) of 6.51%. The market is expected to grow to $3.48 Billion in 2026 at a CAGR of 7.35%.

The Gelatin market is driven by a surge in demand as a functional ingredient in the food industry and the rising application of Collagen Peptide in the Nutricosmetics and Health segments.

The potential of Collagen being immense, we would continue to see greater applications for Collagen as the research & clinical trials are pursued by various Labs and manufacturers. Its excellent biological compatibility and water retention ability has made it ideal for various applications like wound healing, bio-materials, anti-ageing, anti-diabetese, anti-oxidant, anti-inflammatory and in Bio Medicines.

One of the main challenges that the Company has been facing during the year is the uncertain availability of Crushed Bones, its deteriorating quality and the high price of these bones, which has forced the Company to depend on imported Crushed Bones. To a good extent, this rise in price has been offset by support by our customers in terms of higher Gelatin price. The other impact has been the sudden surge in Sea freight charges due to non-availability of ships and containers caused by the supply chain disruptions on account of Covid.

On the positive side, it is heartening to note that there has been a huge demand in the market for the by-product – Di-Calcium Phosphate (DCP) following lower imports of substitutes.

Excellent Business Excellence initiatives have resulted in various prestigious awards including that of Confederation of Indian Industries (CII). This is attributed to the strong internal processes in the Organisation and expecting the Company to get more such awards in future too.

As a representative of the Promoter - Nitta Gelatin Inc., I am delighted to see the continuing value addition offered by NGIL to the Nitta group which is really appreciated. I would like to reiterate the NGI Group's continued support and commitment to the success of NGIL under the new leadership.

Warm Regards,

Koichi-Ogata

Koichi Ogata

Dear Shareholders,

It is indeed a proud moment for me to address the Shareholders of Nitta Gelatin India Limited which has registered the highest turnover and profit in the history of the Company in the year 2021-2022. This Public-Private Partnership (PPP) venture has withstood the test of time.

However, there is no room for complacency as the intensification of geopolitical tensions into war in 2022 has delivered a grievous set back to the World economy, which was already reeling from the rampaging Omicron variant of the Pandemic resulting in supply chain and logistics disruptions and increased inflation. The global macroeconomic outlook is grim with the staggering economic costs of the war and sanctions. It is disheartening to note that Emerging Market and Developing economies (EMDEs) are in stress owing to the geopolitical tension.

The Government of Kerala acknowledges that Kerala-Japan partnership is crucial for the development of the State and has advised the Indo-Japan Chamber of Commerce Kerala (INJACK) to revive the Japan Mela in a hybrid manner and offered the Government's help. Hon'ble Industries Minister - Mr. P. Rajeeve, during his visit to the headquarters of INJACK in July 2021 has offered support to its ventures such as 'Japan Mela,' formation of a Japan Business Cluster in Kochi and various business meets.

The Country faced yet another variant of the COVID-19 Pandemic- Omicron which affected a large section of the population. Government of Kerala was well prepared having successfully dealt with early waves by strengthening the health infrastructure facilities and by undertaking massive drives for vaccinations. We have to be ready for mutated variants in future.

I take this opportunity to reaffirm the support of both KSIDC and the Government of Kerala in all the future initiatives of the Company and wish the Company the very best in all its future endeavours under the new leadership of Mr. Philip Chacko M.

Best regards,

A.P.M Mohamedhanish IAS

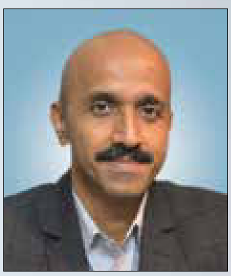
Message from the CHAIRMAN

A.P.M Mohamedhanish IAS
Principal Secretary
(Industries & NORKA)
Govt. of Kerala

Industries & NORKA
Govt. of Kerala
Thiruvananthapuram - 695001, Kerala

BOARD OF DIRECTORS

A.P.M Mohamedhanish IAS
Chairman



Philip Chacko M.
Managing Director

Dr. Shinya Takahashi
Director (Technical)

Koichi Ogata
Director

M.G. Rajamanickam IAS
Director

Radha Unni
Independent Director

E. Nandakumar
Independent Director

Yoichiro Sakuma
Independent Director

Dr. Justice M. Jaichandren (Retd.)
Independent Director

V. Ranganathan
Independent Director

Sajiv K. Menon
Non-Executive
Non-Independent Director

Dr. M.K.Chandrasekharan Nair
Independent Director

BOARD OF DIRECTORS

Chairman	:	A.P.M MOHAMEDHANISH IAS
Directors	:	KOICHI OGATA M.G. RAJAMANICKAM IAS RADHA UNNI E. NANDAKUMAR YOICHIRO SAKUMA DR. JUSTICE M. JAICHANDREN (RETD.) V. RANGANATHAN SAJIV K. MENON DR. M.K. CHANDRASEKHARAN NAIR DR. SHINYA TAKAHASHI, DIRECTOR (TECHNICAL)
Managing Director	:	PHILIP CHACKO M.
Chief Financial Officer	:	P. SAHASRANAMAN
Company Secretary	:	G. RAJESH KURUP
Statutory Auditors	:	Walker Chandiok & Co LLP, Kochi
Secretarial Auditor	:	Abhilash Nediyalil Abraham, Kochi
Bankers	:	State Bank of India Standard Chartered Bank HDFC Bank Ltd. YES Bank IDBI Bank Ltd. Sumitomo Mitsui Banking Corporation Mizuho Bank Limited
Legal Advisors	:	B.S. Krishnan & Associates Advocates, Ernakulam
Registrar & Share Transfer Agents	:	CAMEO Corporate Services Ltd. 1, Club House Road, Chennai - 600 002 Tel : 044-28460390 Fax: 044-28460129 E-mail: cameo@cameoindia.com
Registered Office	:	56/715, SBT Avenue, Panampilly Nagar, Kochi - 682 036
Factory	:	OSSEIN DIVISION Kathikudam P. O., (Via) Koratty, Trichur District - 680 308 GELATIN DIVISION KINFRA Export Promotion Industrial Parks Ltd., P.B. No. 3109, Infopark P. O., Kakkanad, Kochi - 682 042 REVA DIVISION Plot No. 832, GIDC Industrial Estate, Jhagadia Dist., Bharuch, Bharuch - 393 110 Website : www.gelatin.in

SUBSIDIARY COMPANY

BAMNI PROTEINS LTD.: P.O. Dudholi - Bamni, Via Ballarpur - 442 701,
Dist. Chandrapur, Maharashtra, India.

CONTENTS

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WHAT IS COLLAGEN ?

- Collagen is a protein that holds our body together
- Collagen is found across our body - skin, bones, cartilage, blood vessels and internal organs

WHAT ARE COLLAGEN PEPTIDES ?

- A form of protein derived from collagen is called a Collagen Peptide.
- Created through enzymatic hydrolysis of collagen, Collagen Peptides are a bioavailable form of collagen and are highly water-soluble.

gelixer

WHY TAKE COLLAGEN ?

As we age, our natural collagen production slows down

Causing skin wrinkles, stiff joints, brittle nails and lacklustre hair!

Taking Collagen supplement daily works to increase the body's collagen level, slowing the onset of ageing.

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Collagen
BENEFITS INCLUDE :

Rejuvenates Skin

Better Joint &
Bone Health

Improves
Hair Growth

Strengthens Nails

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BENEFITS OF COLLAGEN

- Anti-ageing
- Improves Skin, Nails & Hair
- Strengthens Bones
- Helps Tendons, Ligaments & Joints
- Maintains Digestive Health
- Increases Muscle Mass & Aids Weight Loss

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SIGNS THAT YOUR SKIN IS HAPPY

Restored elasticity & firmness

Reduced under eye dark circle

Luminous glowing complexion

Diminished wrinkles & fine lines

Smooth & hydrated skin

gelixer

WELLNEX BIOACTIVE PEPTIDES

CONTROL TYPE 2 DIABETES IN A HEALTHY WAY

- Clinically studied effective nutritional intervention.
- Proven DPP IV inhibitor.
- Significant reduction in Fasting Blood Glucose (FBS)
- Significant reduction in HbA1C
- Significant Improvement in Insulin sensitivity
- No adverse effect
- Synergic effect with regular medical therapy
- Safe preventive supplement for IGT group (pre diabetes)

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PERFORMANCE
Rich in evidence

QUALITY
Made with
Japanese Technology

SAFETY
Double refined process
using best raw material

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Standalone Financial Highlights (10 Years)

(₹ in Lakhs)

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18#	2018-19#	2019-20#	2020-21#	2021-22#
Total Income	30,898	28,936	36,116	36,099	35,016	34,786	26,190	29,778	35,892	43,432
Sales*	29,714	28,030	34,857	34,707	31,999	33,538	25,276	28,816	34,579	40,482
Exports (FOB)	15,621	16,296	18,275	17,763	16,535	16,383	11,508	12,134	18,813	20,242
Pre-tax Profit/(Loss)	2,613	(731)	1,003	2,643	3,183	1,074	(367)	688	2,434	3,761
Profit/(Loss) after tax	1,558	(496)	510	1,668	2,049	378	(264)	790	1,790	2,660
Total Comprehensive Income/(Loss)	-	-	-	-	2,109	306	(151)	201	2,220	2,434
Earning per share (₹)	17.35	-5.47	5.62	17.33	23.23	4.16	-2.9	8.7	19.72	29.29
Dividend per share (₹)	4.00	0.00	1.00	2.50	2.50	2.50	1.50	2.50	3.00	4.00
Reserves, Retained Earnings and other Equity	11,070	10,635	11,252	12,469	13,010	13,771	13,346	13,409	15,402	17,564
Share Capital	840.00	907.92	907.92	907.92	907.92	907.92	907.92	907.92	907.92	907.92
Shareholder's Funds	11,910	11,543	12,160	14,957	13,918	14,679	14,254	14,317	16,310	18,472
Return on Equity (%)	13.08	-4.3	4.2	11.16	14.72	2.57	-1.85	5.51	10.98	14.40
Book Value/Share (₹)	141.79	127.13	133.93	147.34	153.29	161.68	157.00	157.69	179.64	203.45
Gross Block	17,107	19,516	20,837	21,818	9,772	14,232	15,562	17,178	17,657	18,863
Net Block	6,794	8,159	7,727	8,027	8,733	11,939	12,137	11,969	10,958	10,891

*Sales is net of excise duty on domestic sales and freight & insurance on export sales.
#Figures are as per Ind AS compliant Financial Statements.

Consolidated Financial Highlights (10 Years)

(₹ in Lakhs)

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18#	2018-19#	2019-20#	2020-21#	2021-22#
Total Income	30,830	28,952	35,953	36,089	36,477	34,672	30,395	34,378	39,769	51,055
Sales*	29,714	28,030	34,857	34,707	33,580	33,538	29,838	33,674	38,859	48,237
Exports (FOB)	15,621	16,296	18,275	17,763	17,959	16,383	14,246	13,679	21,294	25,168
Pre-tax Profit/(Loss)	1,983	(854)	139	1,814	2,398	1,188	733	1,341	2,532	4,916
Profit/(Loss) after tax	898	(655)	(359)	856	1,224	460	492	1,235	1,793	3,485
Earning per share (₹)	11.96	(6.72)	(1.56)	10.77	16.24	4.91	3.82	12.38	19.15	36.26
Reserves, Retained Earnings and other Equity	11,368	10,774	10,505	10,909	14,053	14,060	14,409	14,728	16,685	19,623
Share Capital	840	907.92	907.92	907.92	907.92	907.92	907.92	907.92	907.92	907.92
Shareholder's Funds	12,208	11,682	11,412	11,817	14,961	14,968	15,317	15,636	17,593	20,530.79
Gross Block	24,014	26,499	27,079	28,410	13,626	14,745	16,133	17,832	18,325	19,598
Net Block	12,453	13,335	12,629	12,812	12,272	12,312	12,542	12,442	11,430	11,374

*Sales is net of excise duty on domestic sales and freight & insurance on export sales.
#Figures are as per Ind AS compliant Financial Statements.

NOTICE

NOTICE IS HEREBY GIVEN that the 46th Annual General Meeting of Nitta Gelatin India Limited will be held on Thursday, the 04th Day of August, 2022 at 10 AM (IST) through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March 2022, together with the Report of the Board of Directors and the Auditors thereon and the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March 2022, together with the Report of the Auditors thereon.
2. To declare Dividend on Optionally Convertible Preference Shares– 9,29,412 Shares of ₹ 170/- each @ 5.4029% p.a. absorbing an amount of ₹ 85,36,584.00.
3. To declare Dividend on Redeemable Preference Shares– 44,44,444 Shares of ₹ 10/- each @ 7.65063% p.a. absorbing an amount of ₹ 34,00,280.00.
4. To declare dividend on Equity Shares.
5. To appoint a Director in place of Mr. Koichi Ogata (DIN: 07811482) who retires by rotation and being eligible, offers himself for re-appointment.
6. To re-appoint Statutory Auditors and to fix their remuneration and in this regard, to consider and, if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

   RESOLVED THAT pursuant to the provisions of Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), read with the Companies (Audit and Auditors) Rules, 2014 ('the Rules'), including any statutory modification(s) or any amendment(s) thereto, or any re-enactment(s) or any substitution(s) made thereof, for the time being in force and pursuant to recommendation of the Audit Committee, M/s Walker Chandiok & Co, LLP, Chartered Accountants (ICAI Registration No: 001076N/N500013) be and are hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the Fifty First Annual General Meeting of the Company to be held in the year 2027, at such remuneration, out of pocket expenses etc. as may be mutually agreed by the Board of Directors of the Company and the Auditors.

   RESOLVED FURTHER THAT any Directors of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as may be considered necessary or desirable to give effect to this resolution.

SPECIAL BUSINESS:

ITEM NO.7– APPOINTMENT OF MR. PHILIP CHACKO M (DIN: 01219764) AS MANAGING DIRECTOR

To consider and if thought fit to pass the following Resolution with or without modification, as an **ORDINARY RESOLUTION:**

RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or any amendment(s) thereto, or any substitution(s) or any re-enactment(s) made thereof, for the time being in force) and pursuant to the recommendation of Nomination and Remuneration Committee, Mr. Philip Chacko M (DIN: 01219764), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 01st April 2022, who by virtue of the provisions of Section 161 of the Companies Act, 2013, holds office up to the date of ensuing Annual General Meeting, be and is hereby appointed as Director of the Company, not liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to Sections 196, 197, 198, 203, 269, 309, 310, 311 and Schedule V and such other applicable provisions of the Companies Act, 2013 read with Article 121(1) of the Articles of Association of the Company, the approval of the Central Government and such other statutory approvals as may be required, the consent and approval of the Company be and is hereby accorded for the appointment of Mr. Philip Chacko M as the Managing Director of the Company for a period of 3 years with effect from 01.04.2022 on such terms and conditions including payment of remuneration in the absence of inadequate profits in the respective financial years as minimum remuneration as recommended by the Nomination and Remuneration Committee and approved by the Board as herein below:

1. **Basic Pay**

   Basic pay per month will be ₹ 3,90,000/- as on 01.04.2022 with an annual increment of 10% of the Basic pay.

2. **Housing**

   a) Company hired accommodation subject to a ceiling of 50% of Basic Pay which would be treated as per the applicable Income Tax rules.

   b) If Company is not required to provide accommodation, House Rent Allowance @50% of

Basic Pay will be paid per month.

3. **Personal Allowance**
   Personal Allowance payable will be ₹ 1,40,000/-per month.

4. **Incentive**
   The incentive payable at 100% will be ₹ 3,33,000/- per month and minimum ₹ 1,66,500/- per month as per the calculations separately given in the explanatory statement.

5. **Leave Travel Allowance**
   Leave Travel Allowance of ₹ 6,00,000/- per annum.

6. **Furnishing, Gas, Electricity and Water**
   Allowance towards Gas, Electricity, Water and Furnishing, equivalent to an yearly ceiling of 20% of Annual Basic Pay.

7. **Medical Benefits**
   Medical Allowance reimbursement of one month's Basic Pay payable as per rules applicable to the management staff of the Company.

8. **Personal Accident Insurance**
   An annual premium not exceeding ₹ 12,000/- shall be borne by the Company.

9. **Leave and Leave Encashment**

   (i) Earned Leave of 30 days for every completed year of service. At the end of the tenure, unavailed leave will be allowed to be encashed on the basis of last drawn Basic Pay.

   (ii) Other leaves are as per rules applicable to the management staff of the Company

10. **Entertainment Expenses**
    Entertainment expenses of 10% of Basic Pay shall be payable on a monthly basis.

11. **Provident Fund**
    Company's contribution to the Provident Fund at rates as per Company's rules (currently 12% of Basic Pay).

12. **Gratuity**
    15 days' salary at the last drawn Basic Pay for every completed year of service.

13. **Car**
    Free use of Company car with driver for official use. Use of car for personal purposes will be billed for.

14. **Telephone**
    Free telephone and internet facility will be provided at residence.

15. **Club Membership**
    Membership fee of any two clubs will be reimbursed. No admission or life membership fees will be paid.

16. **Minimum Remuneration**
    In the event of loss or inadequacy of profits in any financial year, the Managing Director shall be paid remuneration by way of salary and perquisites as specified above.

17. **Termination of Term of Office**
    The Company shall have the right to terminate the term of office of the Managing Director at any time by giving notice of not less than three months in writing or three months' salary and allowances in lieu thereof. The Managing Director shall also have the right to relinquish his office at any time before the expiry of his term by giving notice of not less than three months.

RESOLVED FURTHER THAT any of the Directors and the Company Secretary be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

ITEM NO.8– APPOINTMENT OF PROF. (DR.) M.K. CHANDRASEKHARAN NAIR (DIN: 09572230)-INDEPENDENT DIRECTOR

To consider and, if thought fit, to pass with or without modification(s), the following resolution as **SPECIAL RESOLUTION:**

RESOLVED THAT pursuant to the provisions of Section 149,150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force, provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Articles of Association of the Company, Prof. (Dr.) M.K. Chandrasekharan Nair (DIN: 09572230) who was appointed as an Additional Director qualifying as an Independent Director on 06.05.2022 pursuant to provisions of Section 161(1) of The Act and who holds office up to the date of the ensuing Annual General Meeting and in respect of whom the Company has received a notice under Section 160 of the Act signifying his candidature as the Independent Director, be and is hereby appointed as such Independent Director of the Company, to hold office for a term of five consecutive years from the date of passing of this resolution and whose office shall not henceforth, be liable to determination by retirement of Directors by rotation.

RESOLVED FURTHER THAT any of the Directors and the Company Secretary be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

ITEM NO.9– APPOINTMENT OF MR. SAJIV K. MENON (DIN: 00168228) AS A NON-EXECUTIVE NON-INDEPENDENT DIRECTOR

To consider and, if thought fit, to pass the following Resolution with or without modification, as an **ORDINARY RESOLUTION:**

RESOLVED THAT in accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Sajiv K. Menon (DIN: 00168228) be and is hereby appointed as a Non-Executive Non-Independent Director of the Company with effect from 06h May, 2022, liable to retire by rotation.

ITEM NO. 10- APPROVAL FOR ENTRY INTO RELATED PARTY TRANSACTIONS BY THE COMPANY

To consider and, if thought fit, to pass with or without modification(s) the following as an **ORDINARY RESOLUTION:**

RESOLVED THAT pursuant to the provisions of the Section 188 of the Companies Act, 2013 (The Act) read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and read with Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions as may be necessary, the consent of the Members of the Company by way of an Ordinary Resolution be and is hereby accorded to the Board of Directors (hereinafter called 'the Board' which term shall be deemed to include any Committee which the Board may constitute for the purpose) for execution of contracts by the Company with Nitta Gelatin Inc., Japan, Nitta Gelatin NA Inc., USA and Bamni Proteins Ltd with whom the Company has common directorship to sell, purchase, or supply any goods or material and to avail or render any service of any nature, whatsoever, as Board in its discretion may deem proper, subject to complying with the procedures to be fixed by the Board or its Committee, up to an amount and as per the terms and conditions mentioned under item no.10 of the Explanatory Statement with respect to transactions proposed and annexed hereto with notice.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such steps as may be necessary for obtaining approvals- statutory, contractual or otherwise- in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters, and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this Resolution.

By Order of the Board

Sd/-

Kochi
06.05.2022

G. Rajesh Kurup
Company Secretary
M.No. A8453

Notes:

1. **THE STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013 WITH RESPECT TO THE SPECIAL BUSINESS SET OUT IN THE NOTICE IS ANNEXED.**

2. In view of the COVID-19 Pandemic, the Ministry of Corporate Affairs ('MCA') vide its Circular No. 2/2022 dated 05.05.2022 which is sequel to their earlier Circular No. 2/2021 dated 13.01.2021 read with Circulars dated 05.05.2020, 08.04.2020 and 13.04.2020 (collectively referred to as 'MCA Circulars') permits the holding of Annual General Meeting ('AGM') by VC/OAVM without the physical presence of the Members at a common venue. Accordingly. in compliance with the said provisions, the AGM of the Company shall be held through VC/OAVM and thus the Members can attend and participate in the AGM through VC/ OAVM.

3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a Member of the Company. Since the AGM is being held through VC/OAVM, the physical attendance of the Members have been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance slip are not annexed to this Notice.

4. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Annual Report 2021- 22 which includes the Notice of the AGM, Board's Report, Financial Statements and other documents are being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2021- 22 will also be available on the Company's website www.gelatin.in, website of the Stock Exchange i.e. BSE Limited at www.bseindia.com and on the website of CDSL https://www.evotingindia.com/

5. Attendance of members through VC shall be counted for quorum under Section 103 of the Act.

6. The VC facility shall be kept open atleast 15 minutes before the scheduled time of the AGM and shall not be closed till expiry of 15 minutes after the conclusion of the scheduled time for the AGM.

7. The Company notifies Closure of Register of Members and Share Transfer Books thereof from 29th July, 2022 to 04th August, 2022 (both days inclusive) to determine the members entitled to receive dividend as may be declared at the Annual General Meeting.
8. The dividend, if declared at the meeting will be paid by 03.09.2022 to those Shareholders whose names appear on the Register of Members as on closure, subject to deduction of tax at source.
9. In view of the rising Covid cases, the Company perceives disruption of postal services - partially, if not fully - which will render it difficult for the Company to pay the dividend physically by issue of Dividend warrants, which would mean that dividend remittance resorted through the electronic mode shall leave behind for remittance, pertaining to those of the Shareholders who holds shares in physical mode and not having updated the bank mandate. In which case, the Company shall upon normalization of the postal services, dispatch the dividend warrant/cheque to such remaining Shareholders.
10. Members are requested to notify the Registrar and Share Transfer Agent immediately of their Bank Account Number and name of the Bank and Branch in the case of physical holdings and to their respective Depository Participant in the case of dematted shares, so that payment of dividend when made through NECS/Dividend Warrants, can capture the updated particulars and avoid delay/ default.
11. Pursuant to Finance Act, 2020 and subsequent provisions of dividend income be taxable in the hands of Shareholders w.e.f. April 01, 2020 and the Company is required to deduct tax at source from dividend paid to Shareholders at the prescribed rates. For the prescribed rates for various categories, the Shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The Shareholders are requested to update their PAN with the RTA i.e, CAMEO Corporate Services Limited (in case of shares held in physical mode) and Depositories (in case of shares held in demat mode).

    A Resident individual Shareholder with PAN, enjoying exemption under one or the other provisions of the Income Tax Act can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source, by email to our Registrar and Share Transfer Agent i.e, CAMEO Corporate Services Limited by 11:59 p.m. IST on 25th July, 2022. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a rate of 20%.

    Non-resident Shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to our RTA i.e, CAMEO Corporate Services Limited by 11:59 p.m. IST on Friday, July 15, 2022.

    Shareholders desirous of registering/updating his/her email id, mobile number against the folio under which shares are held, may access the url namely https://investors.cameoindia.com/for directly updating CAMEO Web Module, which would also additionally enable the Shareholders to submit Form 15G/15H by means of upload of scanned copy of the same. CAMEO would be receiving these inputs/images at the back-end for validating the same in order to register, which might meet with a rejection only in the unlikely occurrence of any technical glitches.
12. As per the applicable Provisions and Rules there under any Dividend remaining unpaid and unclaimed at the end of 07th year thereafter, shall be transferred to the Investor Education and Protection Fund (IEPF). The dividend declared during the Year 2014-15 and remaining unpaid and unclaimed ₹ 1,26,242/- shall be transferred to IEPF fund by 10th August 2022.
13. Members holding shares in the same name or same order under different ledger folios are requested to apply for clubbing into one folio.
14. Members are requested to notify immediately any change in their address to the Registrar and Share Transfer Agents at their address i.e, CAMEO Corporate Services Limited, ‘Subramanian Building’, 1, Club House Road, Chennai-600 002 in the case of physical holdings and to their respective Depository Participant in case of dematted shares.
15. Members may kindly update their email address with the Registrar - CAMEO Corporate Services Limited such that correspondence reach you without fail.
16. As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member

desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website https://www.gelatin.in/. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to the Company in case the shares are held in physical form.

17. Members are requested to note that trading of Company's shares through Stock Exchanges is permitted only in electronic/demat form. Those Members who have not yet converted their holdings into the electronic form may please consider opening an account with an authorised Depository Participant and arrange for dematerialisation.

General Information:

18. **Members desiring any information as regards the Accounts are requested to write to the Company so as to reach the Registered Office at least 5 days before the date of meeting to enable the management to keep the information ready.**
19. Since the AGM is being held through VC/OAVM, the Route map is not annexed to this Notice.

VOTING THROUGH ELECTRONIC MEANS

i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of the SEBI LODR Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services including remote e-voting provided by Central Depository Services Limited (CDSL), on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below:

- The remote e-voting period commences on **Monday, August 1st, 2022 (9:00 a.m. IST)** and ends on **Wednesday, August 3rd, 2022** (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on - **Thursday, July 28th, 2022** i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Those Members, who will be present in the AGM through VC facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
- The Board of Directors has appointed Mr. Abhilash Nediyalil Abraham (M. No. F10876) and (C. P. No. 14524) as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.
- The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC but shall not be entitled to cast their vote again.
- The voting rights of Members shall be in proportion to their shares in the paid-up Equity Share Capital of the Company as on the cut-off date.

THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E- VOTING ARE AS UNDER:

(i) In terms of **SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-voting and joining virtual meetings **for Individual Shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	1) Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by the Company. On clicking the evoting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. Additionally, there are links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN. from an e-voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the evoting is in progress and also able to directly access the system of all e-voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on Company name or e-voting service provider name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on Company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. After successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on Company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 1800 22 55 33
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no: 1800 1020 990 and 1800 22 44 30

Step 2: Access through CDSL e-Voting system in case of Shareholders holding shares in physical mode and non-individual Shareholders in demat mode.

(ii) Login method for e-voting and joining virtual meetings for **Physical Shareholders and Shareholders other than individual holding in Demat form.**

1) The Shareholders should log on to the e-voting website www.evotingindia.com.

2) Click on 'Shareholders' module.

3) Now enter your User ID

a. For CDSL: 16 digits beneficiary ID,
b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

4) Next enter the Image Verification as displayed and Click on Login.

5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

(iii) After entering these details appropriately, click on 'SUBMIT' tab.

(iv) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, Shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(v) For Shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(vi) Click on the EVSN for the relevant <Nitta Gelatin India Limited> on which you choose to vote.

(vii) On the voting page, you will see 'RESOLUTION DESCRIPTION' and against the same the option 'YES/NO' for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

	For Physical Shareholders and other than individual Shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat Shareholders as well as physical Shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. • If both the details are not recorded with the depository or Company, please enter the member id/folio number in the Dividend Bank details field.

(viii) Click on the 'RESOLUTIONS FILE LINK' if you wish to view the entire Resolution details.

(ix) After selecting the resolution, you have decided to vote on, click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK', else to change your vote, click on 'CANCEL' and accordingly modify your vote.

(x) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.

(xi) You can also take a print of the votes cast by clicking on 'Click here to print' option on the Voting page.

(xii) If a demat account holder has forgotten the login password, then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xiii) Additional facility for Non – Individual Shareholders and Custodians – For Remote Voting only.

- Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the 'Corporates' module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts, they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- Alternatively, Non-Individual Shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; vinodmohan@nittagelindia.com (designated email address by Company), if they have voted from individual tab & not uploaded the same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience.
5. Further, Shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 5 (five) days prior to meeting mentioning their name, demat account number/ folio number, email id, mobile number at Company email id-vinodmohan@nittagelindia.com). The Shareholders who do not wish to speak during the AGM but have queries, may send their queries in advance 5 (five) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at Company email id - vinodmohan@nittagelindia.com. These queries will be replied to by the Company suitably by email.
8. Those Shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those Shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any votes are cast by the Shareholders through the e-voting available during the AGM and if the

same Shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such Shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the Shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES

1. For Physical Shareholders - please provide necessary details like Folio No., name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat Shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat Shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-voting from the CDSL e-voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 1800 22 55 33.

Other Instructions

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
2. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.gelatin.in and on the website of CDSL www.evotingindia.com immediately. The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company are listed.

EXPLANATORY STATEMENT
Pursuant to Section 102(1) of the Companies Act, 2013 ('Act')

ITEM NO. 6 - RE-APPOINTMENT OF M/S. WALKER CHANDIOK & CO. LLP, CHARTERED ACCOUNTANTS AS STATUTORY AUDITORS

This explanatory statement is in terms of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, however the same is strictly not required as per Section 102 of the Act. M/s. Walker Chandiok & Co. LLP, Chartered Accountants (ICAI Registration No.: 001076N/N500013) were appointed as Statutory Auditors of the Company at the Annual General Meeting held on 24th June, 2017 for a period of 5 years, until the conclusion of 46th Annual General Meeting to be held in FY 2022. M/s. Walker Chandiok & Co. LLP are eligible for re-appointment for a further period of 5 years. M/s. Walker Chandiok & Co. LLP have given their consent for their re-appointment as Statutory Auditors of the Company and has issued certificate confirming that their re-appointment, if made, will be within the limits prescribed under the provisions of Section 139 of the Companies Act, 2013 ('the Act') and the rules made thereunder.

M/s. Walker Chandiok & Co. LLP, Chartered Accountants had brought in new perspective to the organization in terms of viewing the audit from a business perspective, looking at sustainability of business and adequacy of systems and procedures, undertaking of quality checks etc. before the finalisation of accounts in line with the changing environment all of which have proved beneficial to the Company. From the point of view of Information Technology General Controls (ITGC), they have a dedicated IT team which goes through the processes followed for validation of the systems and suggesting and ensuring required modifications. They also have a specific matrix for IFC control which brings in value added perspectives on the basis of which recommendation for their re-appointment has been made by the Audit Committee and the Board of Directors. Their resourse strength is in alignment with the requirement of the organisation. Hence, it is hereby proposed to re-appoint M/s. Walker Chandiok & Co. LLP, Chartered Accountants (ICAI Registration No.: 001076N/N500013), as the Statutory Auditors of the Company for a second term of five consecutive years, who shall hold office from the conclusion of this AGM till the conclusion of the 51st AGM of the Company. The firm has offices in various cities across the Country. M/s. Walker Chandiok & Co. LLP is a multi-disciplinary Audit Firm catering to various clients in diverse sectors. The proposed fees payable to the Statutory Auditors for the Financial Year 2022-2023 is Rs. 13,50,000/- plus GST. The Board of Directors in consultation with the Audit Committee may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

The Board recommends the resolution set out at Item No. 6 of the Notice for approval by the Members by way of an Ordinary Resolution. None of the Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in the said resolution mentioned at Item No.6 of the accompanying Notice.

ITEM NO.7– APPOINTMENT OF MR. PHILIP CHACKO M (DIN: 01219764) AS MANAGING DIRECTOR

Mr. Philip Chacko M (DIN: 01219764) was nominated by Nitta Gelatin Inc., Japan as per the terms of the Joint Venture Agreement among the Promoters of the Company and Article 121(1) of the Articles of Association of the Company, as the Managing Director of the Company. The Nomination and Remuneration Committee on consideration of nomination at its meeting held on 28.09.2021 had recommended to the Board to consider his appointment as Managing Director. Accordingly, the Board at their 269th meeting dated 7th February, 2022 had appointed Mr. Philip Chacko M as the Managing Director of the Company for a period of three years with effect from 01.04.2022 pursuant to Sections 196(1), 197, 198, 203, Schedule V and such other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and in terms of Article 121(1) of the Articles of Association of the Company and such other statutory approvals as may be required and as recommended by the Nomination and Remuneration Committee and subject to the determination/approval in the General Meeting of the Company, of the terms and conditions of appointment as are detailed in the corresponding Resolution. The details as required of Mr. Philip Chacko M seeking appointment as Managing Director is given separately.

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors accordingly recommends the Resolution as set out at Item No. 7 of the Notice for approval by the members of the Company as an Ordinary Resolution.

None of the Directors, Key Managerial Personnel and their relatives, except Mr. Philip Chacko M and his relatives, to the extent of his appointment are concerned or interested, financially or otherwise, in the said resolution mentioned at Item No. 7 of the Notice.

Incentive formula referred to at item 7 of the terms and conditions of appointment:

Incentive Criteria	Amount/ Month (in ₹)	Achieve ment in %	Minimum/ Month (in ₹)	Achieve ment in %	% of incentive	Amount/ Month (in ₹)	Achieve ment in %	% of incentive	Amount/ Month (in ₹)	Achieve ment in %	% of incentive	Amount/ Month (in ₹)	Achieve ment in %	% of incentive	Amount/ Month (in ₹)
Actual Consolidated Net Profit before Tax as compared to Board approved Budget for the year	249750	up to 50%	1,24,875	50.01 to 80	62.5	1,56,094	80.01 to100	75	1,87,313	100.01 to 110	100	2,49,750	Above 110.01	120	2,99,700
Increase in Total Revenue (consolidated) in current period compared to Board approved budget for the year	83250	up to 5%	41,625	5.01 to 7.50	62.5	52,031	7.51 to 10	75	62,438	10.01 to 15	100	83,250	Above 15.01	120	99,900
Total	**333000**		**1,66,500**		**62.5**	**2,08,125**		**75**	**2,49,750**		**100**	**3,33,000**		**120**	**3,99,600**

ITEM NO.8 – APPOINTMENT OF PROF. (DR.) M.K. CHANDRASEKHARAN NAIR (DIN: 09572230) - INDEPENDENT DIRECTOR

The Board of Directors of the Company at its meeting held on 06th May 2022, on the recommendation of the Nomination and Remuneration Committee had appointed Prof. (Dr.) M.K. Chandrasekharan Nair (DIN: 09572230) as an Additional Director of the Company qualifying as an Independent Director with effect from 06th May 2022 as prescribed under law.

Prof. (Dr.) M.K. Chandrasekharan Nair (DIN: 09572230) is presently serving as Director, NIMS-SPECTRUM-Child Development Research Centre, Thiruvananthapuram. He was formerly Vice Chancellor & Emeritus Professor of Research Kerala University of Health Sciences (KUHS), Emeritus Professor in Developmental Behavioural & Adolescent Paediatrics, CDC Kerala Certificate of Modern Medicine Registration. He was the Founder Director of Child Development Centre, Kerala. Dr. Nair was the National President of the Indian Academy of Paediatrics-2004, Indian Clinical Epidemiology Network 2005-07 and National Neonatology Forum 2011-12. He was also the Founder Secretary of Growth & Development Chapter and Adolescent Paediatrics Chapter of Indian Academy of Paediatrics, both of which have established annual Oration Awards in his name. Dr. Nair was the first recipient of a Doctor of Science in Medicine from Kerala. He received his training in research methodology from Newcastle University, Australia and he is a renowned researcher in developmental and adolescent Paediatrics. He has published many books in developmental paediatrics, adolescent care counselling, parenting and premarital health counselling. He has written more than 200 articles in international and national journals.

In the opinion of the Board of Directors, given Mr. Nair's expertise and experience, Prof. (Dr.) M. K. Chandrasekharan Nair would be an appropriate choice as he is a highly qualified medical professional and administrator which would add value to the Company as it looks to consolidate its presence in the health and nutrition business and in the light of Company exploring various new initiatives.

Prof. (Dr.) M.K. Chandrasekharan Nair fulfills the condition prescribed for being appointed as Independent Director pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and he is independent of the management. The Company has received a declaration from Prof. (Dr.) M. K. Chandrasekharan Nair that he meets with the criteria of independence as prescribed under Section 149(6) of the Companies Act 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also given a statement showing that he is not disqualified from being appointed as a Director in terms of Section 164(2) of the Companies Act, 2013. The Company has received from Prof. (Dr.) M.K. Chandrasekharan Nair, (i) consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under the provisions of Sub-Section (2) of Section 164 of the Companies Act, 2013. Prof. (Dr.) M.K. Chandrasekharan Nair is not debarred from holding of office of Director pursuant to any Securities and Exchange Board of India Order or any other such authority.

The Company has received a notice as envisaged under Section 160 (1) of the Act proposing him for appointment as Independent Director of the Company. The Board recommends the Resolution for appointment of Prof. (Dr.) M.K. Chandrasekharan Nair as an Independent Director of the Company for a term of five consecutive years from date of passing of this Resolution. Upon his appointment, Prof. (Dr.) M.K. Chandrasekharan Nair shall not be liable to retire by rotation.

Except Prof. (Dr.) M.K. Chandrasekharan Nair, no Director or Key Managerial Personnel of the Company and his relatives are concerned or interested - financially or otherwise- in this item of business.

ITEM NO.9 – APPOINTMENT OF MR. SAJIV K. MENON (DIN: 00168228)- NON-EXECUTIVE NON-INDEPENDENT DIRECTOR

The Board of Directors of the Company at its meeting held on 06th May 2022 had on the recommendation of the Nomination and Remuneration Committee had appointed Mr. Sajiv K. Menon (DIN: 00168228), as an Additional Director with effect from 06th May 2022 to hold office up to the date of the ensuing Annual General Meeting of the Company in accordance with the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company.

The Company has received from Mr. Sajiv K. Menon (DIN: 00168228), the consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under the provisions of Sub-Section (2) of Section 164 of the Companies Act, 2013.

Mr. Sajiv K. Menon is a B. Tech in Chemical Engineering, PGDM (Fin.& Mktg) from IIM, Bangalore, and a Fullbright Scholar at Carnegie Mellon University, USA, Mr. Sajiv K. Menon had a long tenure of more than 34 years' experience in various capacities in Engineering and Chemical Industries before taking charge as Managing Director of the Company on 01.04.2014. He had served as Managing

Director of the Company for a period of 8 years.

It would be in the best interests of the Company to avail the services of Mr. Sajiv K. Menon especially while pursuing some of the legacy issues. The Company can utilise his insights which he ably steered during his tenure as Managing Director of the Company.

Your Board of Directors at their meeting dated 06.05.2022, on detailed consideration of the recommendations of Nomination and Remuneration Committee, recommends to the General Body of Shareholders, the appointment of Mr. Sajiv K. Menon as a Non-Executive Non-Independent Director liable to retire by rotation subject to such other approvals by the Statutory and Regulatory Authorities as might be applicable.

Mr. Sajiv K. Menon is not debarred from holding of office of Director pursuant to any Securities and Exchange Board of India Order or any other such authority.

The disclosure under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is provided as a part of this Notice.

None of the Directors, Key Managerial Personnel and their relatives, except Mr. Sajiv K. Menon and his relatives, are in any way, concerned or interested in the said resolution.

ITEM NO.10 - APPROVAL FOR ENTRY INTO RELATED PARTY TRANSACTIONS BY THE COMPANY

The Companies Act, 2013 aims to ensure transparency in the transaction and dealings between related parties of the Company. The Act under Section188 envisage an approval by the Board of Directors for the Related Party Transactions which by nature are neither in ordinary course of business nor at arms' length. Besides, the first proviso to the Section read with Rule 15 of the Companies (Meeting of the Board and its Powers) Rules, 2014 shall mean an Ordinary Resolution to be passed at a meeting of the Shareholders, only where the transaction(s) exceed a limit of 10% of the turnover/networth of Company as the case may be. It is in addition thereto that Regulation 23 of SEBI LODR Regulations, 2015 makes mention of Material Related Party Transactions which require an approval of the Shareholders at the General Meeting.

The Company in pursuance of the provisions under SEBI LODR Regulations, 2015 takes omnibus approval from Audit Committee/Board for transactions intended to be entered, ahead of each financial quarter in a year. These are thereafter placed before the succeeding Audit Committee and Board Meetings for an apprisal/approval. Though strictly not warranting an approval under the tests prescribed and noted hereinabove at first para, the Accounting Standard 24 (AS 24) which acts as a guiding Principle and Regulation, speak in terms of a control and significant influence over an entity being the deciding factors for ascertaining whether a particular transaction falls under the purview of RPT, thus roping in the transactions entered by the Company both with the Subsidiary Company namely Bamni Proteins Limited and the Promoter Company Nitta Gelatin Inc., Japan/Nitta Gelatin North America Inc., in the category of Related Party Transactions mandating an approval by the Board of Directors/the General Body of Shareholders as the case may be. The transactions are carried out at arms length basis with the related parties, results in better capacity utilization and thus resulting in improvement on the overall margin of the Company, thereby benefitting the shareholders. Related party transactions are carried out at arm's length price considering the market price, end use application of the product, the relevant volume and cost involved in the transaction as compared to a transaction with a known related party.

In the light of the above, the Board of Directors of your Company has approved the proposed transactions along with the limits that the Company may enter into with its related parties for the period 01.10.2022 to 30.09.2023.

All the prescribed disclosures as required to be given under the provisions of the Companies Act, 2013 and the Rules thereunder are given below in tabular format for kind perusal and Members' approval:

PARTICULARS OF RELATED PARTY TRANSACTIONS PROPOSED TO BE ENTERED DURING 01.10.2022 TO 30.09.2023

(TRANSACTIONS/CONTRACTS CARRIED OUT IN THE ORDINARY COURSE OF BUSINESS

Name of Related Party	Director/KMP related	Nature of Relationship	Nature of Transaction	Period of Transaction	Maximum value of Transaction (₹ In Lakhs)
Nitta Gelatin Inc, Japan (Promoter)	Koichi Ogata	Director & Executive Officer, Nitta Gelatin Inc, Japan	Sale of Goods Availing of Service	01.10.2022 to 30.09.2023	18000 300
	Dr. Shinya Takahashi	Nominee of Nitta Gelatin Inc, Japan			
Nitta Gelatin NA Inc, USA (Subsidiary of the Promoter)	Koichi Ogata	Director & Executive Officer, Nitta Gelatin Inc, Japan			12000 150
	Dr. Shinya Takahashi	Nominee of Nitta Gelain Inc, Japan			
Bamni Proteins Ltd. (Subsidiary)	Philip Ckacko M	Director, Bamni Proteins Ltd.	Sale of Goods		8000
	Dr. Shinya Takahashi	Director, Bamni Proteins Ltd.			

Members are hereby informed that pursuant to second proviso of Section 188(1) of the Act, no Member of the Company shall vote on such Resolution, to approve any contract or arrangement which may be entered into by the Company, if such Member is a Related Party.

The Board of Directors of your Company has approved this item and recommends the Resolution as set out in the notice for approval of Members of the Company as Ordinary Resolution.

Except Promoter Directors (to the extent of shareholding interest in the Company), no other Director or Key Managerial Personnel or their relatives is concerned or interested financially or otherwise in passing of this resolution.

By Order of the Board,

Sd/-
G. Rajesh Kurup
Company Secretary
M.No. A8453

Kochi
06.05.2022

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ APPROVAL OF TERMS OF APPOINTMENT AS REQUIRED UNDER REGULATION 36(3) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015.

Name	Mr. Koichi Ogata	Prof. (Dr.) M.K. Chandrasekharan Nair	Mr. Sajiv K. Menon	Mr. Philip Chacko M
DIN	07811482	09572230	00168228	01219764
Age (Years)	64	70	62	51
Nationality	Japanese	Indian	Indian	Indian
Date of appointment	04.08.2022	06.05.2022	06.05.2022	01.04.2022
Qualification	Bachelor of Science, Tohoku University	D.Sc. (Ph.D., MD, M.Med.Sc, MBA, MA, FNNF, FIAP, FIACAM	B. Tech in Chemical Engineering, PGDM (Finance & Marketing) from IIM, Bangalore	PGDBM (Finance & Strategy) from Indian Institute of Management (IIM), Calcutta and B.Tech (Civil) from Indian Institute of Technology (IIT), Kharagpur
Expertise	President of NGI, Japan	First recipient of a Doctor of Science in Medicine from Kerala. Renowed researcher in medical field.	Managing Director of NGIL for eight years from 01.04.2014. More than 32 years' experience in various capacities in Engineering and Chemical Industries before taking charge as Managing Director of NGIL on 01.04.2014	Over 26 years of experience in some of the largest groups in India including Vedanta Group, GMR, Lanco, Tata Steel, Popular Vehicles and Kotak Mahindra
Other Directorships excluding Foreign Companies	NIL	NIL	NIL	Chairman and Director of Bamni Proteins Ltd.
Member/Chairman of Committees of other Companies	NIL	NIL	NIL	NIL
Relationship, if any, between Directors interse	NIL	NIL	NIL	NIL
Shareholding in the Company	NIL	NIL	NIL	NIL

DIRECTORS' REPORT

To

THE MEMBERS OF
NITTA GELATIN INDIA LIMITED

Your Directors have pleasure in presenting the 46th Annual Report and audited financial statements of your Company for the year ended 31st March, 2022.

The Statement of Accounts has been prepared in accordance with Indian Accounting Standards (IND AS) which are applicable to the Company w. e. f. 01st April, 2017 as per the Rules laid down in this regard.

SHARE CAPITAL

The Authorised Share Capital of your Company as on 31st March, 2022 was ₹ 8024.44 Lakhs comprising of 4,00,00,000 Equity Shares of ₹ 10/- each totaling to ₹ 4000.00 Lakhs, 929,412 Optionally Convertible Non-Cumulative Preference Shares (OCPS) of ₹ 170/- each totaling to ₹ 1580.00 Lakhs, 2,00,00,000 Optionally Convertible Non- Cumulative Preference Shares of ₹ 10/- each totaling to ₹ 2000.00 Lakhs and 44,44,444 Redeemable Preference Shares of ₹ 10/- each totaling to ₹ 444.44 Lakhs.

PERFORMANCE

Record Profits & Turnover

The Company recorded the highest turnover and profits in its history during the financial year 2021-22 based on robust demand for all its products and the associated selling price that it could command.

The gross revenue from operations of your Company during the year under review was ₹ 428.51 Crores as compared to ₹ 354.29 Crores in the previous year registering a growth of 21%. Profit before tax was ₹ 37.61 Crores against ₹ 24.34 Crores, registering a growth of 54.5%. There was an increase in sales realisation per unit of Gelatin in line with the global prices with the growth in Gelatin demand worldwide as also increased raw material cost.

Higher Di-Calcium Phosphate (DCP) Price Realisation

During first half of 2021-22, the Poultry feed market, was going through a stable condition with the Import of Mono Calcium Phosphate (MCP) from China in the range of 7000 MT/month and the DCP production slightly more than the market requirement causing almost stable DCP prices till August. Meanwhile during July – August period, due to floods and coal shortage there was Energy crisis in China. Due to this crisis, Chinese Government started capping the high energy intensive manufacturing Companies. Thus, Calcium Phosphate production units were banned to export their products. As a result, the MCP exports to India also shrinked substantially below 2000 MT/month in July & August. As there was constant demand for the phosphorous supplement for Poultry feed and lower availability of MCP, DCP sales price could be increased from September 2021. Even though ban for MCP exports from China was lifted due to shortfall during the ban period, we could maintain higher DCP prices up to March 2022. Thus the overall sales realisation from DCP could be improved substantially for the period 2021-22.

Economic Scenario- Domestic and Global Market

According to the Indian Economic Survey 2021, India's domestic pharmaceutical market is likely to reach US$ 65 Billion by 2024 and further expand to reach US$ 120-130 Billion by 2030. In the global pharmaceuticals sector, India is a significant and rising player. India is the World's largest supplier of generic medications, accounting for 20% of the Worldwide supply by volume and supplying about 60% of the global vaccination demand. The Indian pharmaceutical sector is worth US$ 42 Billion and ranks 3rd in terms of volume and 13th in terms of value Worldwide.

At present, India is the largest provider of generic drugs globally. Indian pharma Companies cater to over half of the global demand for various vaccines along with 40 percent of generic drugs demand in US. Gelatin being a pharmaceutical excipient for making capsules, tablet binding etc., the growth in the pharmaceutical market is a boost to the gelatin demand.

Gelatin is the popular excipient in empty capsules and softgel capsules. Capsules are the second most preferred delivery format. The empty capsule market size is projected to grow at a CAGR of 7.2% and reach US$ 3.7 Billion by 2026, while, the global softgel capsules market is expected to reach $316.6 Billion by 2025 at a CAGR of 5.4%. Softgels make up 25 percent of the total market for nutritional supplements and are the second most-prevalent dosage form behind tablets. Other than pharma industry, capsules are being used by the Nutraceutical industry, Cosmetic industry, and research laboratories. Emerging economies such as the Asia Pacific, the Middle East, Latin America, and Africa provide significant opportunities for the growth of the market. Global raw gelatin and gelatin capsule manufacturers have been capitalizing on this demand by expanding their business presence and production capacities in these regions. The increasing demand in emerging economies, coupled with lower raw material and labour costs offer an opportunity for the growth in revenue terms for softgel capsules market by 2026 end.

Collagen Peptide- capacity utilization, new customer development

Collagen Peptide is a significant source of protein and a vital component of healthy nutrition. Their physiological and nutritional properties promote the strength of joints and bones as well as contribute to beautiful skin.

Collagen Peptide Market is expected to reach USD 828 Million by 2026, at a CAGR of 5.6% during the forecast period. Consumers are becoming extremely aware of the benefits of consuming collagen peptide products. Various factors such as the rising popularity of collagen-based functional products, growing use of collagen as additive and wide applications of collagen peptides are responsible for driving the growth of this market. Further, research advances and biotechnological advancement has enabled the utilization and incorporation of collagen peptides in pharmaceutical applications and biomedical uses which are some of the growing opportunities in the market.

North America is expected to grow more than the global CAGR at 8.6% and will be our focus market for Collagen Peptides. Asian markets will continue to be tapped for deepening our presence. Other markets are also tapped for increasing the presence. Our major market segments will be *beauty from within, joint health, sports nutrition, diabetes and general wellness.* High functional Collagen Peptide and Diabetes management peptides are the new products under development.

Plant utilisation at full capacity

During the year, the Company was able to achieve full capacity utilisation for Gelatin and Collagen Peptide. The Company's Plants have been operating at 100% capacities for the year and the Company has successfully executed de-bottlenecking operations to maximise production. The Company has produced 4150 MT of Gelatin and 489 MT of Collagen Peptide. The growth rate of Collagen Peptide was 58% as compared to the previous year.

Increased quantity of sales, higher unit sales price of Gelatin and significant increase in sales volume of Collagen Peptide have resulted in higher gross revenue for your Company. Further, the Company was able to make significant inroads into the Korean Beauty market for Collagen Peptide, with its clinically proven product derived from Fish Protein. This product backed by the Health-Claim and approved by the KFDA, has been consistently increasing its market share in Korea and commands a dominant share in the market. The Company is currently exploring newer markets like USA & South Africa with this product based on the success achieved so far.

The availability of Crushed Bone (CB), the main raw material of your Company has improved during the year, though the price was under pressure during the financial year due to demand outstripping the supply. The second wave of COVID-19 Pandemic had some marginal impact in the supply chain.

The following are noteworthy:

- The CB situation continued to face challenges during the year due to the continued lockdown announcements across the Country and many suppliers were demanding price increase while finalizing supply deals. The situation was the worst in Gujarat where the demand from the Gelatin manufacturers is the highest. The Crushed Bone (CB) supplied during the year was plagued with deteriorating quality with higher impurities.
- The prices of premium quality indigenously sourced gelbone increased by 19% during the year. Your Company through effective sourcing measures with an eye on quality was able to source the required quantity of Crushed Bone to ensure full utilisation of the Gelatin production capacity despite all these challenges. This has enabled the Company to post robust financial results amidst the Pandemic.

  Though there was some respite in CB availability during the year, compared to the previous quarters, the situation continues to look challenging in the wake of the uncertainty in the supply chain caused by COVID- 19 and the high demand situation.

  Exploring import of Crushed Bone

  The deteriorating quality and the constant increase in price of indigenously sourced Crushed Bone has forced the Company to scout for other alternate source of raw material such as imports. The quality of Gelbone from France, Canada and New Zealand are all reported to be at premium levels with high available bone and protein content probably because of the advanced technologies deployed in these Countries for pre-treatment and processing the material. Accordingly, your Company imported 2100 MT premium quality Gelbone from France in 2021-22 and has already contracted to import another 2500 MT in the next year. Your Company is also discussing with another Gelbone manufacturer in Canada for imports, this year.
- With the intent of accessing the other markets for sourcing CB, a request has been made to the Central Government for liberalizing import of CB from BSE undetermined countries as per OIE practice and the same is now under their consideration.
- During the year, the Company took the initiative of partnering with Crushed Bone suppliers for improving the quality of the material by working in close association with them and providing the requisite technology to them for enabling them to supply good quality material for pre-treatment. This project is expected to reduce the impurity and other unwanted material content in Crushed Bone and expected to reinforce the supply chain. Once this partnership is successful, this will be replicated in other potential suppliers also which will greatly help the Company in terms of improving the overall productivity and reducing the cost considerably.

- The price of fish protein – the raw material required for manufacture of Fish Collagen Peptide has increased significantly during the course of the year affecting the margin on the sale of the product. The Company is negotiating with the customer for absorbing the impact of the price hike and is hopeful of a favourable outcome.
- The Company produced and exported Ossein & Limed Ossein from Reva Division, Gujarat. The Reva Division continues to be beset with challenges in achieving full capacity levels, owing to problems with the discharge pipeline, non-availability of Crushed Bone, inadequate supply of water and power and poor quality of raw materials. As the quality of CB had deteriorated significantly, the production of Ossein and Limed Ossien had to be aligned to the effluent discharge parameters as stipulated by the Pollution Control Board in a cost effective manner. Despite this, the Division was able to maintain moderate capacity utilisation levels for Ossein in the financial year. The high price of Di-Calcium Phosphate also enabled the unit to better its performance compared to previous year.

  Installation of a new jet aerator for improving the ETP performance, insulation of acid baths to minimize the impact of extreme heat conditions especially during summer, increase in the water storage capacity to manage production disruptions when water supply is affected, managing Effluent treatment systems in a cost effective manner through better chemical control methods etc. are some of the measures implemented during the year. Installation of the new Jet Aerator at Reva Division has been completed. The increase in the Ammoniacal Nitrogen and COD levels in the ETP has been managed by aligning the production levels to the required parameters.

Operation during challenging times

i) The operating systems and procedures of the Company have been geared up to meet the requirements of challenging times for the various processes such as raw material procurement, supply chain movements etc. There is significant disruption in international trade by way of COVID-19 related issues causing delays in container movement and availability thereof. In addition to absolute increase in container freight rates, delay in shipping schedule is forcing the Company to necessitate air freighting certain shipments which are getting unduly delayed, at a high cost. The Company continues to impress upon the Local Governments and others the importance of keeping the operations active in view of its role in the pharmaceutical industry.

ii) The change in geopolitical situation with the onset of Russia – Ukraine war and the following price hike consequent to the supply chain disruptions on account of the war, risk of shortage of material, delay in shipment and the resultant logistic issue etc. are posing challenges before the Company. The Company is closely watching the situation on account of these situations and framing alternate remedial action as appropriate for sustaining the operations of the Company without any disruption.

iii) To address the risks posed by COVID-19 Pandemic, the Company implemented many precautionary measures. Entry protocols such as temperature checking, usage of face masks, hand washing at regular intervals, avoiding assembly of people more than the specified limits, installation of partitions at canteens and encouraging virtual meetings than physical meetings etc were some of these measures. These measures had helped the Company to manage the COVID-19 Pandemic by keeping the people safe and without affecting the Plant operations. IT infrastructure was reinforced to support more employees working from home, as and when required.

iv) With all the Gelatin plants in full scale operation during the year and the resultant high demand for Crushed Bone, Crushed Bone prices increased by 10%. Acid prices have dropped by 8%, adversely impacting the cost of production. The per unit price realization has gone up by 11% for Ossein/ Limed Ossein, 9% for Gelatin and there was a drop of 5% for Bovine Collagen Peptide in line with global trends for similar products. Prices for Fish Collagen Peptide has maintained parity. The price of raw material, fish protein for Fish Collagen Peptide has recorded an increase of 43%, significantly impacting the margins for Collagen Peptide sales. Price negotiations with raw material suppliers and finished product are on to protect the margins. The weakening of Rupee against USD during 2021-22 as compared to 2020-21 has contributed to better sales realisation on exports.

   In the backdrop of this situation, your Company exercised close monitoring and strict control over each significant element of cost and achieved appreciable savings notwithstanding the higher costs incurred due to various reasons as described above. The Company could achieve economies of scale due to higher volume of production of Ossein. The usage of low cost hide as the raw material as compared to Crushed Bone had helped the Company in terms of controlling the raw material costs. There was absolute increase in power cost due to higher Ossein levels but the overall cost could be maintained at manageable levels for power cost as a result of various cost control measures in both the Divisions of the Company. Though the price of LNG, firewood and furnace oil has increased during the year, cost control measures helped the Company to keep costs under control. India has been affected by the Coal shortage consequent to events in China. The Company's efforts to create value from wastes by generating gas from residual sludge has further gained momentum during the year. The operation of sludge dryer which could substantially reduce the volume of sludge for disposal has helped the Company in terms of reducing the attendant costs. Availability and pricing of Coal at Reva Division is posing challenges to manage the costs. This might also impact price of alternate fuels like firewood. Factory and Administration overheads also increased marginally in line with the overall business sentiment. The Company continues its focus on the various austerity measures in the wake of COVID-19 uncertainties.

v) With regard to finance cost, the Company could effectively leverage low cost foreign currency loans by negotiating with the Banks and bringing in Banks that provide working capital funds at competitive rates. Interest rates for foreign currency loans have also dropped as the benchmark LIBOR has witnessed significant drop during the course of the year to almost as low as 0.15%. The Company negotiates with the banks to have alternate benchmark rates in the wake of LIBOR getting out of the system as a viable benchmark option.

vi) The products of your Company continued to enjoy robust market demand during the year under review. The entire sale of Ossein/Limed Ossein, 52% of the total sale of Gelatin and 80% of Collagen Peptide was through exports. Your Company has arrangement with its overseas Promoter, Nitta Gelatin Inc., Japan to leverage their expertise and market insights in servicing its customers in a proactive manner in line with the global standards of NITTA Group.

vii) The Pollution Control Board has renewed the validity of the Consent to operate upto 30th June 2023 for the Ossein Division. Similarly for Gelatin Division, the Company has renewed the Consent to operate upto 30th June 2023. Reva Division's Consent to Operate issued by the Gujarat State Pollution Control Board has been renewed and is valid upto 23.05.2026.

Environmental Sustainability

Our Company has always prioritized environmental sustainablity as an important indicator to reduce carbon foot print and has taken various measures in this regard.

i) The Company is in the process of retrofitting its boiler at its Gelatin Division for optimizing its steam generating efficiency.

ii) The Company is installing an Anaerobic Digestor for managing the revised effluent stream in view of the changes in operating parameters. This will equip the Company to meet the required effluent parameters as stipulated by the Pollution Control Board in view of the changed scenario.

iii) The Company's rain harvesting pond at its Ossein Division has helped to improve the water table in nearby areas in addition to de-risking the Company from any sudden developments affecting water availability, though to a limited extent.

iv) The Company continues to maintain the Miyawaki forest, a technique leading to thick growth of trees in a measured area and thereby ensures its commitment to green aspects of the environment.

FINANCIAL HIGHLIGHTS

The operations of the Company for the year 2021-22 have resulted in a pre-tax profit of ₹ 37.61 Crores (as against a pre-tax profit of ₹ 24.33 Crores during the year 2020-21. Details are as under:

(All amounts are in ₹ Crore, unless otherwise stated)

Particulars	**For the year ended 31st March, 2022**	**For the year ended 31st March, 2021**
Sales (including export incentives and net of GST)	428.51	354.29
Other Income	5.80	4.62
TOTAL	**434.31**	**358.91**
Net Profit before Depreciation	51.20	39.13
Deducting therefrom:		
Depreciation	13.59	14.80
Provision for Tax -	-	
- Current Tax	11.24	4.53
- MAT Tax	-	(2.03)
- Deferred Tax	(0.22)	3.93
Profit after Tax from continuing operations	26.60	17.90
Other comprehensive income/(loss) net of tax	(2.26)	4.29
Total comprehensive profit for the year	24.34	22.19
Profit brought forward from previous year	9.08	(6.55)
Balance Profit available for appropriation	26.60	17.90
Appropriations :		
Final dividend on equity shares- paid	2.72	2.27
Total	**2.72**	**2.27**
Transfer to General Reserve		
Balance profit carried forward to next year	32.96	9.08
Earnings per share (₹)		
Basic	29.29	19.72
Diluted	29.29	19.72

DIVIDEND

Considering the Company's performance, the Board has recommended a dividend of ₹ 4/- per share i.e. 40% of the face value of ₹ 10/- per share on the Equity Capital for the year ended 31st March, 2022. The Board has also recommended dividend @ 5.4029% p.a. on the 929,412 Optionally Convertible Preference Shares of face value of ₹ 170/- each and a dividend @7.65063% on the 44,44,444 Redeemable Preference Shares of the face value of ₹ 10/- each for the year ended 31st March, 2022. This dividend payment is out of the current year profits of the Company and is subject to approval of the members at the ensuing Annual General Meeting.

The total outflow on account of dividend will be ₹ 482.54 Lakhs (₹ 391.74 Lakhs in the financial year 2020-21) comprising of ₹ 119.37 lakhs on Preference Shares (₹ 119.37 Lakhs in the financial year 2020-21) and ₹ 363.17 Lakhs on Equity Shares (₹ 272.37 Lakhs in the financial year 2020-21).

During the year, unclaimed dividend of ₹ 1,26,242 pertaining to the year 2014-15 shall be transferred to the Investor Education & Protection Fund after giving due notice to the members.

RESERVES

No amount is transferred to General Reserve during the year. The Company has recognized capital reserves amounting to ₹ 2,750.62 Lakhs on account of the merger (including deferred tax asset on the unabsorbed business loss of Reva Proteins Ltd. carried over from previous years as per tax books for an amount of ₹ 1,609 Lakhs and other appropriate adjustments).

Reserves as on 31.03.2022 comprises of Security Premium Reserve of ₹ 2895.90 Lakhs, equity contribution on External Commercial Borrowings and Preference Share Capital ₹ 984.43 Lakhs, Special Export Reserve of ₹ 79.00 Lakhs, General Reserve of ₹ 7,836.64 Lakhs, Retained earnings of ₹ 3,296.00 Lakhs, Capital Reserve of 2,750.62 Lakhs, Hedge Reserve of ₹ 9.44 Lakhs and other comprehensive loss of ₹ 288.27 Lakhs aggregating to ₹ 17,563.76 Lakhs.

PARTICULARS OF LOANS, GUARANTEES & INVESTMENTS

Details in respect of other loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes on accounts for the financial year ended 31st March, 2022 and such loans, guarantees and investments are within limits prescribed under that Section.

CREDIT RATING

During the year, rating agency CRISIL has reaffirmed the rating of CRISIL A- and revised its rating outlook as Stable for Long Term Instruments and reaffirmed CRISIL A2+ rating for short term instruments.

AWARDS & ACCOLADES

During the year, your Company received the following awards:

a) Company's Ossein Division and Gelatin Division has won 4 awards in CII Southern Region Kaizen competition in medium scale process industry

   i. Ossein Division won First Prize for ETP slurry reduction

   ii. Gelatin Division won Second Prize for reduction in maintenance cost in Boiler area

   iii. Gelatin Division won First prize for improvement in Chitosan production yield

   iv. Ossein Division won First prize for shredder system modification in CB crushing

b) Gelatin Division has been adjudged as the "Best Karakuri Kaizen Winner (Platinum Trophy Winner)" in the CII National Technology competition for efficient usage of Solar Energy for Sludge Drying and reducing the drying cost

c) Gelatin Division has won the Gold category award in the CII National Office Innovation Competition for paperless office

d) Gelatin Division has won the Silver Category award in CII National Kaizen completion for Nano filtration Peptide

e) Wellnex Replenwell Collagen Peptides have been selected as Nutra Ingredients – USA's Ingredient of the Year for beauty-from-within applications

f) FIEO's **Top performing Exporter Gold Award** for Export performance 2018-19

g) SAP India and TV9 Network's **Dare2Dream Awards** 2021 for Business transformation through technology

h) Our teams received the following recognitions in various competitions:

Recognition won	Award conferred for	Division
Platinum	1st CII Operational Sustainability Competition – Reduce sludge drying cost	Gelatin Division
Jury Challenger	41st CII National Kai-Zen Competition – Challengers Trophy – Nanofiltration of peptide	Gelatin Division
Star Champion	Champions Trophy – CII National Technology Competition – Efficient usage of Solar Energy for Sludge Drying and reducing the drying cost	Gelatin Division
Commendation Certificate	Kerala State Energy Conservation Awards 2021 - Energy Conservation Initiatives	Gelatin Division
Runner Up	CSR Awards 2020 – Environment & Greenery Category - CSR initiatives in OD	Ossein Division

The following prestigious certifications are retained by your Company:-

(a) European Directorate for the Quality of Medicines & Health (EDQM) Certificate for Gelatin Division

(b) CAPEXIL plant approval certificate for Ossein Division, Gelatin Division and Reva Division for the export of Ossein, Gelatin and Collagen Peptide

(c) HACCP Certificate for Ossein Division for food safety

(d) ISO 14001:2015 for Gelatin Division for Environment Management System

(e) ISO 9001: 2015 for Quality Management System of the Company

(f) FSSC 22000 V.5 Certification for Food Safety

Management System for Gelatin Division

(g) FSSAI Certification for manufacturing, import/export of Gelatin & Collagen Peptide
(h) WHO GMP Certification as per World Health Organisation/Codex for manufacture of Gelatin & Collagen Peptide
(i) Halal (MUI, IFANCA & JUM)/Kosher Certification for Gelatin and Collagen Peptide – JUM Halal for Ossein & Dicalcium Phosphate
(j) NABL Accreditation for in-house laboratory of Gelatin Division
(k) ISO 45001:2018 Certification for Occupational, Health and Safety Standards for Gelatin Division and Ossein Division
(l) ISO 50001:2018 Certification for Energy management system for Gelatin Division & Ossein Division.
(m) Company's Gelatin Division & Ossein Division have passed the recent TPM Certification Assessment-2022 of SIGNIFICANT ACHIEVEMENT

HEALTH, SAFETY, AND ENVIRONMENT

Compliance with relevant regulations and effective management of the related issues is an integral part of the Company's philosophy.

1. Health, Safety and Environment

Compliance with relevant regulations and effective management of the related issues is an integral part of the Company's philosophy.

1. Health and Safety

The Company is committed to protecting the health and safety of its employees. In addition to the Head (Health Safety & Environment) for the Company, each plant has a Safety Officer and Safety Committees which include representation from workmen and executives. The Committees meet regularly to review issues impacting plant safety and employee health. Regular health checkup of the employees is carried out through tie-up with reputed Hospitals. Various training programs are conducted at the Plants on health and safety issues including emergency preparedness, work safety, first-aid, etc. Both Ossein and Gelatin Factories have received the ISO 45001-2018 Certification, which is a testimony to the Company's commitment in this area.

The following were the major activities carried out during the year:-

- Plant operations of all units are being done as per Government guidelines strictly adhering to COVID-19 protocol
- Surveillance audit of ISO 45001-2018 completed at both Ossein Division and Gelatin Division
- Fire license renewed at Ossein and Gelatin Divisions
- Various training programs were conducted for improving health awareness among the employees.
- A free Counselling and Support Service was started for Nitta family members
- Mock drills conducted at Ossein, Reva and Gelatin Divisions
- Safety day celebrations were conducted at Ossein, Reva and Gelatin Divisions
- TPM Certification Assessment-2022 of Significant Achievement by CII has been successfully completed by both Ossein and Gelatin Divisions

2. Environment

The Company continuously endeavors to enhance Environmental Management and through all activities demonstrates its commitment to protecting the environment. The Factories of the Company are equipped with modern Effluent Treatment Plants for treating and discharging treated water with parameters well within the norms laid down by the respective State Pollution Control Boards. The emissions from the boilers and generator stacks are regularly monitored for compliance. Solid waste from operations is collected in a secured manner and disposed of in authorized locations. Ambient air quality is monitored on regular basis and ensured for its compliance. Our ETP operations have been reinforced with the introduction of new equipment and technologies. Various energy-saving measures and efficiency improvement activities were taken up during the year that reduced the consumption of fuels compared to previous years. Action plans have been drawn up to reduce the consumption of water in the coming years. In the case of solid waste reduction, the Company follows a structured action plan. A polymer house-based facility using solar energy has been developed at the Company's Gelatin Division for drying the sludge emanating out of the operations leading to lower operating costs and carbon print. With a view to reducing the greenhouse effect, the Company is focusing on greenery development at all its locations.

- Surveillance Audit of ISO 14001-2015 completed for Gelatin Division
- Environmental day celebrations conducted at Ossein, Reva and Gelatin Divisions

The implementation of an anaerobic digestor at the Gelatin Division of the Company is in progress and the boiler retrofitting project is in progress to ensure controlled usage of firewood for steam requirements.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company has formulated a well-structured Policy aimed at providing focus and direction to the various activities on CSR. The Company is committed to identifying and supporting programmes aimed at such of the sectors. The CSR Policy can be accessed on the Company's website www.gelatin.in. The CSR projects undertaken by the Company are in accordance with Schedule VII of the Companies Act, 2013 which is given in **Annexure I**.

The total CSR expenditure incurred by the Company during the year, of ₹ 18.86 Lakhs was in compliance with the statutory requirement of 2% of the average profit for the last three years. The Annual Report on CSR activities is annexed herewith as **Annexure I.**

SUSTAINABILITY

Contributing to sustainable development has always been the core ethos of all the operations & business decisions of your Company. Also it has become even more important an element of the overall corporate strategy. We have committed ourselves once again to take the path of Profitable, Sustainable, and Socially Responsible Growth, keeping in mind the interests of all our Stakeholders as our central objective. We aim to grow and achieve higher returns and in the process, we will ensure an increased positive impact on the environment and the society at large. We continuously endeavor to enhance our performance and optimize efficiency across the environmental, social and governance aspects. Simultaneously, we encourage involvement from all Stakeholders and ensure that our sustainable framework policies are well communicated, implemented, monitored, and reviewed regularly.

We are and will continue to be increasingly focused on sustainable and socially responsible corporate behavior in everything we do. Our approach mainly centers around the following pillars:

- **Environmental Sustainability**

Focus Area-Reduction in consumption of water, solid waste, power, fuel and plastic.

- **People Sustainability**

Focus Area- Employees safety, health, development, engagement, rewards and recognition.

- **Social Sustainability**

Focus Area- Corporate Social Responsibility (CSR): education, training, health, women, sports, agriculture and waste management.

- **Economic sustainability**

Focus Area: Cost reduction, procurement practices and growth initiatives.

Our goal is to set an example for the Gelatin Industry in India in particular, and industry in general for World-class sustainability practices. The raw material sources for Gelatin and Collagen Peptide are the by products from the meat and farmed fish processing industries, which are generally considered as well managed, natural, and renewable resources. Collagen and its derived products are pure, natural proteins made from animal raw materials and contain neither preservatives nor other additives. They are thus natural and healthy food with a clean label that optimally meets consumer needs in terms of application and sustainability. As such, Gelatin can be considered as a product with a positive impact on overall sustainability since it is part of the circular economy of the Meat Industry.

Sustainable development is an integral part of our business strategy and we ensure that it is built into the complete business cycle- product development, new markets, capital projects, operational management, and ultimately product end-use. Health and safety, social and governance issues are built into all stages of the asset life cycle, which help in serving our customers and all Stakeholders over a longer term, wherever they are across the World.

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

In accordance with the SEBI LODR Regulations, the Company's policy on materiality of Subsidiaries specifying the criteria for determining the Material Subsidiaries is available in the Company website www.gelatin.in. As per such criteria, the Company's Subsidiary - Bamni Proteins Limited is a Material Subsidiary as on 01st April, 2022.

SUBSIDIARY COMPANY

BAMNI PROTEINS LIMITED

The annual production during the year in this Subsidiary Company was 2652 MT of Ossein and 6018 MT of Di-Calcium Phosphate as against 2200 MT of Ossein and 5090 MT of Di-Calcium Phosphate during the previous year.

The operation of this Subsidiary for the year under review has resulted in a pre- tax profit of ₹ 1452.30 Lakhs (₹ 394.22 Lakhs in the previous year), post-tax profit of ₹ 1091.69 Lakhs (₹ 307.47 Lakhs in the previous year) and other comprehensive loss of ₹ 11.27 Lakhs (income of ₹ 33.35 Lakhs) during the previous financial year.

In accordance with Section 129(3) of the Companies Act, 2013, consolidated financial statements of the Company and its Subsidiary Company have been prepared, which is forming part of the Annual Report.

The statement containing the salient features of the financial statement of the Subsidiary under first proviso to Sub-Section (3) of Section 129 of the Act in Form AOC I is attached as **Annexure II.**

In accordance with fourth proviso of Section 136(1) of the Companies Act, 2013, the Annual Report of the Company containing therein its standalone and consolidated financial statements has been uploaded on the website of the Company, www.gelatin.in. Further as per the fourth proviso of the said section, the annual accounts of the Subsidiary Company and the related detailed information have also been uploaded on the website of the Company, www.gelatin.in.

Annual accounts of the Subsidiary Company and related detailed information shall be made available to the Shareholders of the Company and Subsidiary Company seeking such information at any point of time. The annual accounts of the Subsidiary Company shall also be made available for inspection by any Shareholder at the Registered Office of the Company and Subsidiary Company concerned. Hard copy of details of accounts of Subsidiary shall be furnished to any Shareholder on demand. Further, pursuant to Indian Accounting Standard IND AS 110 issued by the Institute of Chartered Accountants of India, consolidated financial statements presented by the Company include the financial information of its Subsidiary.

STATUTORY AUDITORS' REPORT

Qualification on the internal audit systems in the Reva Division of the Company as reffered to in the Consolidated Auditor's Report has been properly addressed by the Company by appointing a reputed Chartered Accountants firm having significant internal audit exposure which is expected to cover the enhanced reporting requirements as envisaged.

SECRETARIAL AUDITORS' REPORT- EXPLANATION TO OBSERVATIONS OF AUDIT

As prescribed under Section 204(1) of the Act, the Company has received the Secretarial Audit Report. The observations made therein and the corresponding explanations are given below:-

Sl. No.	Observations	Management Reply
1	It is found that the Audit Committee at their meeting held on 06.05.2021 had made recommendation to the Board to authorise Managing Director (MD) to appoint Internal Auditors for the Reva Division and based on this, the Board at their meeting held on 07.05.2021 authorised Managing Director to appoint Internal Auditor for Reva Division. Further, the act of appointment of Internal Auditor by the MD is not subsequently ratified by the Board. On analysis, the act of recommendation and subsequent authorisation by the Board are not in accordance with Section 179(3) since the power of appointment of Internal Auditor specified under Section 179(3) (k) has been vested specifically upon the Board and shall exercise those power only at their meeting and cannot be delegated to MD. Hence my advice to the Board is to note/ratify the appointment in the subsequent Board meeting.	The Board, while exercising the power to delegate to the MD, the act of appointing Internal Auditor to one particular Division of the Company (Reva Division), did so in exercise of the powers under Section 179(3) of the Act with intend to conform to the decision taken by the delegatee; having regard to the suitability of a person/ entity who could appropriately undertake Internal Audit of the Division distantly located at Bharuch, Gujarat. The Board subsequently had the opportunity to take note of the appointment made by MD, in the context of considering as part of the Agenda for meeting, the record of the proceedings of the Audit Committee meeting wherein the Internal Audit Report was initially presented. The Ruling by the Hon'ble Punjab & Haryana High Court in Hindustan Petroleum Corporation Vs Sardar Chand & another, held that the resolution when **fully authorising** the delegatee to act on behalf of the Board, the passing of any (subsequent) **specific resolution is not contemplated under the Act in each and every case.** The recommendation made by the Audit Committee to the Board regarding delegation, need be seen in the light of the fact that Internal Audit and consideration of Report thereon, are matters of direct concern to the Audit Committee. To that extent, the recommendation by AC to the Board would very well stand scrutiny.
2	There is an inadequate compliance with the Secretarial Standards I Clause 6.4 in as much as the Circular resolution dated 27.04.2021 with respect to the appointment of Mr. V. Ranganathan, Independent Director, even though the same taken note at the Board meeting dated 07.05.2021, but the assent/ dissent obtained from the Directors has not been mentioned in the said Board Minutes as provided in the said Standards.	All the decisions of the Board of Directors are implied as having been unanimously passed, unless otherwise expressly provided in the context of dissent to any of the decision(s) taken. For that reason alone, the resolution unanimously passed through circulation to Directors, for appointment of Mr. V. Ranganathan as an Additional Director; when subsequently reported to the Board for noting, did not contain any specific reference to dissent (as against assent) for that decision.

COLLABORATORS

The Collaborators of your Company continue to be the relentless source of support and guidance for the Company in each of its key initiatives. Their patronage in areas of financial support, product development, marketing, quality improvement and training of personnel has contributed significantly to the growth of the Company. Nitta Gelatin Inc., Japan has provided guidance and considerable financial support for the scheme of revival of its Reva Division. Kerala State Industrial Development Corporation Ltd., the other promoter is equally supportive for development of your Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information as required under Section 134(3) (m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is attached as **Annexure III.**

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annual Report as **Annexure IV** to this report.

The Annual Report excluding the details of employees receiving remuneration in excess of the limits prescribed under Section 197 of the Companies Act 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is being sent to the Shareholders of the Company in terms of first proviso to Section 136(1) of the Act 2013. The annexure is available for inspection at the Registered Office of the Company during business hours and any Shareholder interested in obtaining a copy of the said annexure may write to the Company Secretary at the Registered Office of the Company.

INTERNAL CONTROL SYSTEM

ADEQUACY OF INTERNAL CONTROL SYSTEMS

The Company has in place well defined and adequate internal controls commensurate with the size of the Company and the same were operating effectively throughout the year. The internal control systems operate through well documented Standard Operating Procedures, policies and process guidelines. These are designed to ensure that transactions are conducted and authorized within defined authority limit commensurate with the level of responsibility for each functional area. The Company's accounting and reporting guidelines ensure that the transactions are recorded and reported in conformity with the generally accepted accounting principles.

The Company has engaged a professional firm of Accountants with long years of experience to carry out the internal audit function. The Company has not placed any limitation on the scope and authority of the internal audit function. The internal audit function evaluates the efficacy and adequacy of internal control systems, its compliance with operating systems and policies of the Company and accounting procedures at all locations of the Company. To maintain its objectivity, effectiveness and independence, internal audit is being carried out on a quarterly basis and reports thereon, along with the remarks of the process owners on each of the observations of audit are placed before the Audit Committee of the Board. The Audit Committee reviews each of the Internal Audit reports as a separate item of agenda along with the internal/statutory auditors and the management representatives wherein the Committee gives its advice/suggestions on the audit points. Based on the report of the internal audit as well as the observations of the Audit Committee, the process owners undertake requisite corrective action in their respective areas thereby further strengthening the control systems. Action Taken Reports are also reviewed by the Audit Committee for each actionable item. The minutes of the Audit Committee are reviewed by the Board of Directors.

INTERNAL CONTROLS OF FINANCIAL REPORTING

The Company has in place adequate financial controls commensurate with the size, scale and complexity of its operations. During the year, such controls were tested by the management and no reportable material weakness in the design or operations was observed. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information.

The Company has adopted accounting policies which are in line with the Accounting Standards and the Companies Act and with the generally accepted accounting principles in India. Changes in policies, if required, are made in consultation with the auditors and are approved by the Audit Committee.

The Board is of the view that appropriate procedures and controls are operating effectively and monitoring procedures are in place.

RISK MANAGEMENT POLICY

The Board of Directors of the Company has entrusted the management of the Company to evaluate and manage various risks faced by the Company and appropriately apprise the Board periodically. Accordingly, the management has constituted a Risk Management Committee comprising of Senior Management Personnel to develop and implement a Risk Management Policy including identification therein of elements of risks which in the opinion of the Board may impact the operations of the

Company. The Board of Directors reviews the evaluation of risks and the mitigation measures taken by the Company in managing such risks to sustain the operations of the Company for the foreseeable future. Some of the key risk areas identified for mitigation and corrective action include

- Crushed Bone availability and pricing patterns
- impact of the high cost of crushed bone on the cost of production
- safety and security policies of the Company
- succession planning for key executives
- impact of the National Green Tribunal's Orders
- significant litigation against the Company having material financial impact
- moves of competitors
- water scarcity for operational requirements
- emergence of alternate substitutes for the products of the Company
- adverse forex rate fluctuations
- risk of losing pricing premium commanded by the Company due to emergence of alternate Halal certifications
- sludge reduction
- Potential loss of fish CPT business in India due to non- availability of raw material within India

MATERIAL POST BALANCE SHEET EVENTS

During the month of March 2020, World Health Organisation declared COVID -19 to be a global Pandemic. The spread of COVID-19 has impacted the normal operations of businesses in many Countries including India. The Country has witnessed several disruptions in normal operations due to lockdowns imposed by the Government in the form of restrictions to movement of people, transportation and supply chain along with other stringent measures to contain COVID-19 spread.

The Company has made an assessment of the business situation and has evaluated the possible impact of the outbreak of COVID-19 on its business. Though the Government has classified the Company's operations as part of "essential services" and has exempted the Company from lockdown restrictions, the Company's operations have been impacted due to inadequate availability of raw materials and other necessary items. Though the Company faced many challenges, the Company could sustain its operations without any significant disruptions during the pandemic period. However the impact on future operations would to a large extent depend on how the Pandemic develops and the resultant impact on businesses.

APPLICABILITY OF COST AUDIT REQUIREMENTS

As per the Company's (Cost Records and Audit) Rules 2014, the Company's products are not covered under Cost Audit and the Company maintains the relevant cost records for the products for which the maintenance of cost records is required as per the above Rules.

RESPONSIBILITY STATEMENT OF DIRECTORS

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134 of the Companies Act, 2013:

a) that in the preparation of the annual accounts for the year ended 31st March, 2022, the applicable Indian Accounting Standards have been followed along with proper explanation relating to material departures, if any;

b) that they had selected such accounting policies as mentioned in Note 1 of the notes to the Financial Statements and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2022 and of the profit of the Company for the year ended on that date;

c) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) that they had prepared the annual accounts on a going concern basis;

e) that proper internal financial controls laid down by the Directors were followed by the Company and such internal financial controls are adequate and were operating effectively; and

f) that they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

RELATED PARTY TRANSACTIONS

The Company has formulated a policy on Related Party Transactions which is in line with the relevant provisions of the Companies Act as well as SEBI (LODR) Regulations. The said policy as approved by the Board is available in the Company website www.gelatin.in. As per the said policy, prior omnibus approval of the Audit Committee is obtained on a quarterly basis for all the Related Party Transactions which are of a foreseen and repetitive nature. All Related Party Transactions that have taken place actually are subsequently reviewed by the Audit Committee on a quarterly basis in comparison with the conditions of omnibus approval and are recommended to the Board for approval. Additionally, material Related Party

Transactions foreseen in the year ahead were approved by the members. Particulars of contracts of arrangements with Related Parties referred to in sub section 1 of Section 188 read with Rule 8(2) of the (Companies Accounts) Rules, 2014 are attached in Form No. AOC 2 as **Annexure V.**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review as stipulated under SEBI (LODR) Regulations is presented in a separate section forming part of this Annual Report.

CORPORATE GOVERNANCE

The Company has complied with the corporate governance requirements under the Companies Act, 2013, and as stipulated under the SEBI (LODR) Regulations. A separate section on Corporate Governance under the Regulation, along with a certificate from the secretarial auditors confirming the compliance, is annexed and forms part of the Annual Report.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements have been prepared in accordance with the provisions of Schedule III of the Companies Act, 2013 and Indian Accounting Standards IND AS 110 and other applicable Accounting Standards issued by the Institute of Chartered Accountants of India and the provisions of the SEBI (LODR) Regulations 2015 and form part of the Annual Report.

DIRECTORS

Mr. V. Ranganathan was appointed as an Independent Director on 07.05.2021. Mr. Sajiv K. Menon has completed his tenure as Managing Director on 31.03.2022. Dr. K. Ellangovan IAS ceased to be Nominee Director on 15.02.2022 upon withdrawal of his nomination by KSIDC consequent to his superannuation from service. Whereafter, Mr. A. P. M Mohamedhanish IAS was appointed as Nominee Director on 15.02.2022.

The Board of Directors had constituted a Nomination and Remuneration Committee (NRC) with the following members:-

1. Mr. E. Nandakumar
2. Mr. Yoichiro Sakuma
3. Mrs. Radha Unni

The terms of reference of the NRC are as follows:-

1. The NRC shall identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
2. The NRC formulates the criteria for determining qualifications, positive attributes and independence of a Director for recommending to the Board and also a policy relating to the remuneration for the Directors, Key Managerial Personnel and senior management personnel meaning thereby employees of the Company who are members of core management excluding Board of Directors. This would comprise all members of management one level below the Executive Directors, including all functional heads.
3. The NRC formulates the Remuneration policy to ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate personnel as are herein referred at (2) above of the quality required to run the Company successfully; relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and remuneration to Whole-time Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

During the financial year, the Nomination and Remuneration Committee met on 28.09.2021 and 19.02.2022.

KEY MANAGERIAL PERSONNEL

Rule 8(5)(iii) of the Companies (Accounts) Rules, 2014 prescribes that Report of Directors should contain details of Directors and Key Managerial Personnel. Therefore, in addition to the details of Directors hereinabove given, it is brought to the notice of Shareholders that Mr. P. Sahasranaman and Mr G. Rajesh Kurup continued as Chief Financial Officer (CFO) and Company Secretary (CS) respectively for the year under review.

BOARD EVALUATION

The Companies Amendment Act, 2015 prescribes that there shall be a meeting of Independent Directors during each of the financial years. Accordingly, the Independent Directors who met on 05.02.2022 evaluated the performance of the Directors other than themselves which are followed by an evaluation made by the Board in the presence of the Chairman at their Meeting held on that date. The evaluation found each of the Directors to have requisite qualification, expertise and track record for performance of their duties as envisaged by law.

MEETINGS

The Board of Directors met 4 (Four) times during the financial year 2021-22. The details of the Board meetings and the attendance of the Directors are provided in the Corporate Governance Report. The intervening time gap between the two consecutive meetings was within the period prescribed under the Companies Act, 2013.

COMPOSITION OF AUDIT COMMITTEE

The Audit Committee comprises of Mr. V. Ranganathan as Chairman with Mrs. Radha Unni and Mr. E. Nandakumar as members. More details on the Committee are given in the Corporate Governance Report.

VIGIL MECHANISM

The Company has established a vigil mechanism for

Directors and employees to report genuine concerns, while providing for adequate safeguards against victimization, providing direct access to Chairperson of Audit Committee, the details regarding which have also been given in the Company's official website.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

Your Company has always believed in providing a safe and harassment free workplace for every individual working and associating with the Company, through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. A four member Internal Complaints Committee (ICC) is constituted with three lady employees and one lady NGO member. ICC is responsible for redressal of complaints relating to sexual harassment, as envisaged under the provisions of the Act and Rules. Hitherto no complaints were received by ICC.

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees who have access to unpublished price sensitive information in relation to the Company and during the period when the trading window is closed. The Board is responsible for implementation of the Code.

STATUTORY AUDITORS

M/s. Walker Chandiok & Co. LLP (WCC LLP) Chartered Accountants (Firm Registration No. 001076N/500013) who were appointed as Statutory Auditors of the Company for a 5 year term at the Annual General Meeting in the year 2017 was reappointed by the Board of Directors at its meeting held on 07.02.2022 on the basis of recommendation of Audit Committee who shall hold office from the conclusion of the 46th Annual General Meeting till the conclusion of the 51st Annual General Meeting of the Company to be held for the Financial Year ended March 31, 2027 subject to the approval of the members at the General Meeting. The item regarding the reappointment of Statutory Auditors is put up for transaction at the forthcoming Annual General Meeting and the Notice for the Meeting makes a reference of the same as part of Ordinary Business.

SECRETARIAL AUDIT

Pursuant to the provisions of the Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company has appointed Mr. Abhilash Nediyalil Abraham (CP No. 14524, M. No. F10876), Company Secretary-in-practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as **Annexure VI**.

ANNUAL RETURN

The Company has a website https://www.gelatin.in where the annual return of the Company will be published complying with the provisions of Section 134 (3) (a) of the Companies Act 2013.

ACKNOWLEDGEMENT

Your Directors are thankful to the esteemed Shareholders for their continued patronage and the confidence reposed on the Company and its management. Your Directors place on record its sincere appreciation for the support and assistance extended by the State Government and Kerala State Industrial Development Corporation Ltd. The Board takes this opportunity to extend their whole hearted gratitude to M/s. Nitta Gelatin Inc., Japan, for their timely and valuable guidance and inspiration. Your Board places on record its sincere appreciation for the significant contributions made by employees across the Company through their dedication and commitment during a very challenging year. On this occasion, your Board thanks all the customers, suppliers, bankers and other associates for their unstinted co-operation.

For and on behalf of the Board of Directors

Sd/-

A.P.M MOHAMEDHANISH IAS
CHAIRMAN
DIN: 02504842

Kochi
06.05.2022

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

According to the Indian Economic Survey 2021, India's domestic pharmaceutical market is likely to reach US$ 65 billion by 2024 and further expand to reach US$ 120-130 billion by 2030. In the global pharmaceutical sector, India is a significant and rising player. India is the world's largest supplier of generic medications, accounting for 20% of the worldwide supply by volume and supplying about 60% of the global vaccination demand. The Indian pharmaceutical sector is worth US$ 42 billion and ranks 3rd in terms of volume and 13th in terms of value worldwide. India's pharma exports have clocked an impressive growth of over 18% for financial year ended March 31, 2022.

At present, India is the largest provider of generic drugs globally. Indian pharma Companies cater to over half of the global demand for various vaccines along with 40 percent of generic drugs demand in the US. Gelatin being a pharmaceutical excipient for making capsules, tablet binding etc., the growth in the pharmaceutical market is a boost to the gelatin demand.

Based on Data Bridge Market Research, the gelatin market is expected to gain market growth at a CAGR of 6.25% in the forecast period of 2021 to 2028. Rise in the demand for functional and convenience food and beverage products drives the gelatin market. Increase in the application in the pharmaceutical industry is a vital factor escalating the market growth, also rise in the demand for medical and biomedical applications, clean-label products, naturally sourced ingredients, food & beverages applications across the globe and increase in the demand from various industries such as nutraceutical, personal care, and photography are the major factors among others driving the gelatin market. Moreover, rise in the use of gelatin in fortified confectionery and sports nutrition products, increase in the use of gelatin as a potential biodegradable packaging material for food products and rise in the demand from emerging economies will further create new opportunities for the gelatin market in the forecast period of 2021- 2028.

However, rise in the substitute accessibility of the biomaterials and cut throat competition among the manufacturers of gelatin business are the major factors among others acting as restraints, and will further challenge the gelatin market in the forecast period. Other major challenges facing the global pharmaceutical gelatin market is the procurement of raw material. The main factor affecting the availability of raw materials for the extraction of gelatin is the functional capacity of slaughterhouses and the meat processing industry which varies significantly depending on economic conditions. Moreover, the handling of raw material and production are also governed by strict regulations in various Countries to ensure the prevention of the spread of animal-borne diseases. This can further affect supply in cases of export or import bans or in cases of incidences of these diseases in certain regions at any given time. These factors pose a significant challenge to the growth of the market during the forecast period. The shift by the car industry, apparels industry and the fashion industry is moving away from genuine leather to artificial leather, has drastically improved availability of cattle hide suppliers to invest in Gelatin and Collagen Peptide factories to consume the excess raw material generated in-house which they are not able to sell profitably. This trend coupled with the resultant increase in supply over the time could impact markets if demand doesn't capture proportionately.

Gelatin is the popular excipient in empty capsules and softgel capsules. Capsules are the second most preferred delivery format. The empty capsule market size is projected to grow at a CAGR of 7.2% and reach USD 3.7 billion by 2026, while, the global softgel capsules market is expected to reach $316.6 billion by 2025 at a CAGR of 5.4%. Softgels make up 25 percent of the total market for nutritional supplements and are the second most prevalent dosage form behind tablets. They can be used to deliver oils and oil-soluble materials, such as omega-3s, vitamin E and carotenoids; and offer advantages in tolerability, ease of swallowing, assimilation and potency. Although animal gelatin based shells are most common, vegetarian alternatives are on the rise. Great strides have been made with challenges such as oxidation, shelf stability and cost-effectiveness in the quality of gelatin.

The major factors driving the growth of this market include the unique functional capabilities of gelatin such as gelling, adhesion, coating, binding, and film-building makes it highly advantageous for use in the pharmaceutical industry. Gelatin coating on hard capsules, softgel capsules, and tablets not only masks the odour of medicines but also facilitates ease in swallowing. Moreover, the properties of gelatin provide protection against environmental changes associated with oxygen or moisture, thereby increasing the shelf-life of these products.. Other than pharma industry, capsules are being used by the Nutraceutical industry, Cosmetic industry, and research laboratories. Emerging economies such as the Asia Pacific, the Middle East, Latin America, and Africa provide significant opportunities for the growth of the market. Global raw gelatin and gelatin capsule manufacturers have been capitalizing on this demand by expanding their business presence and production capacities in these regions. The increasing demand in emerging economies, coupled with lower raw material and labour costs offer an opportunity for the growth in revenue terms for softgel capsules market by 2026 end.

As per Mordon Intelligence Market Research, the global collagen peptide market is projected to grow at a CAGR of 7.7% during the forecast period, 2020 - 2025. The increasing demand in the key segments, such as dietary supplements, nutritional bars, beverages, and beauty products, has been driving the sales of collagen peptides globally.

The global socio-economic dynamics, along with the growing geriatric population, increased budgetary allocation to the healthcare sector, the growing popularity of a preventive approach to lifestyle diseases, and the growing nutraceutical segment have been complementing the collagen peptide products demand.

Due to the COVID-19 pandemic, global lockdown and quarantine measures have led to a change in consumer buying habits. On one hand, this change has impacted negatively on retail sales, with some health categories seeing a short-term decline in growth. On the other hand, however, it’s had a positive effect on the sales of vitamins and dietary supplements, with a strong focus on immunity and prevention. Further, collagen peptide is one of those ingredients which have gained an excellent reputation in the market among food innovators finding novel ways to make it accessible to an even wider audience owing to its functional benefits.

Collagen peptide is blended in various drinks, shakes, smoothies, and ice creams to give an anti-inflammatory protein boost, as the ingredient has the tendency to dissolve in the cold liquid medium easily. Collagen Peptide has good organoleptic properties, taste and is odour-free, while at the same time enabling the food product to maintain its organoleptic characteristics. It is used in various formulations due to its property to mix and blend with other food forms.

SEGMENT-WISE PERFORMANCE

Gelatin demand in India has shown growth for pharmaceutical applications. The gelatin demand for both hard gelatin capsules and soft gelatin capsules is growing due to growth in pharmaceutical industry. The Company was able to operate its gelatin plant at its full capacity during the year 2021-22. Various waves of COVID-19 pandemic was effectively handled so that no production loss happened during this period.

Even as COVID-19 hits industries across the spectrum, the Company has witnessed a robust demand for its Gelatin with the onset of the pandemic. The uptick was a result of the rising demand for immunity and wellness products, in which Gelatin and Collagen Peptide are key ingredients in the domestic as well as overseas markets.

As the Indian Gelatin industry caters to the pharmaceutical and nutraceutical sectors, there is a strong demand for Gelatin. Drop in production and supply chain issues also have contributed to price increase. The increase in demand for many immunity-building products like nutritional supplements is one of the growth drivers for the surging demand.

Exports

Export of Ossein to Japan increased by 59% during the year 2021-22 compared to previous year due to higher requirement of raw material for Gelatin. Ossein Export revenue increase was 73% compared to previous year due to better prices. In the case of Gelatin, exports for the year stood 13 % lower than the previous fiscal due to higher demand in domestic market. Collagen peptide export revenue was 49% higher than the previous year due to higher demand from Korean beauty market after launch of Health claim product, new markets in US & South Africa.

Domestic Market

The domestic demand for Gelatin is showing very high growth trend as India is strengthening its identity as a pharma manufacturing hub. The competition from imports was higher especially from Chinese based cheaper gelatin. We were able to increase the domestic sales of both Gelatin & Collagen peptide in 2021-22. Domestic sale of Collagen Peptide increased by 59% in 2021-22 particularly due to development of cheaper raw material based product and its profitable sales. The non-availability of competitive raw material for Fish Collagen Peptide is continuing and poses a challenge for market expansion. To ensure quality product, the Company depends on imported raw materials for manufacturing fish collagen peptide. The poultry industry saw both ups and down during 2021-22 as there was feed price increase and restriction for exports from China. First half of 2021-22, Di Calcium Phosphate (DCP) prices was almost stagnant. In the second half, due to the Chinese export restriction of MCP, DCP price realisation was higher which helped the Company to improve upon the profits.

Opportunities and Challenges

Growing Pharma Market in India

India is on its way to become the world's pharma hub. The COVID-19 Pandemic might have pushed several economies and businesses to the brink, but what stood strong at such a crucial period was India's pharmaceutical industry.

As the Pharma sector grows, Gelatin demand is likely to continue hand in hand. Gelatin is the preferred excipient for Pharma industry. Gelatin capsule industry consumes roughly 90-95% of all bovine bone gelatin production in India and as per the latest estimates, about 750 billion gelatin capsules, both soft and hard, were produced.

Indian pharma companies are focusing on regulated markets and such markets demand capsules with excellent quality and dissolution properties. Hence Gelatin manufacturers are focusing on providing superior quality Gelatin. The endeavor to make special grade of gelatin has given birth to products like Gelatin with reduced cross linking for long shelf life capsules, Gelatin for capsules with faster and delayed disintegration properties, Gelatin for enteric capsules etc. Manufacturers are continuing their efforts to add value to Gelatin and try to be more relevant in line with the changing industry norms.

Expanding Indian Nutraceutical Industry

Global nutraceutical Companies are keen to invest in India as Pandemic opens up avenues to boost immunity in varied delivery forms. This comes after the Union Government approved 100 per cent Foreign Direct Investment (FDI) in nutraceutical manufacturing sector via the automatic route. It allows entities to market through wholesale, retail or e-commerce platform. Further, the pandemic phase has found considerable relevance to immunity boosters and naturally derived foods. In addition, India holds promise for exploring delivery of nutraceutical formulations in varied forms of liquids, capsules, tablets, chewable gummies etc.

International Companies want to access the Indian market swiftly and responsible evidence-based nutrition is at the center of all these conversations. International Trade Administration, Department of Commerce, United States report estimates Indian Nutraceutical market to grow from the current $4 billion to $18 billion in 2025. Currently, India imports US$ 2.7 billion worth of Nutraceuticals.

Growth and establishment of Nutraceutical industry in India is likely to support growth of Collagen Peptide business. Collagen Peptide is the trending ingredient for new product developments for Healthy Ageing, Beauty From within, Women's Health, Fitness nutrition etc. The need for ingredient which has multiple health benefits and sufficient clinical evidence cannot be avoided by the industry. This opens up ample opportunities for Company's Wellnex range of products. A greater focus on health consciousness is leading to an increase in consumer spend on nutritional supplements to boost immunity and support their overall health.

Collagen protein is a blockbuster ingredient in the Nutraceutical industry. Once considered as a cheap protein, it is now gaining popularity due to its functional benefits in skincare, bone and joint health and sport nutrition. Collagen derived peptides are one of the key ingredients in the Nutraceutical formulations in these segments. Several studies are going on to explore other potential benefits of Collagen derived bioactive peptides. Considering the immense potential of Collagen Peptide, several manufacturers have already scaled up their manufacturing facilities.

Raw Material Sourcing

Almost two years after the emergence of the Pandemic and subsequent disruption of raw material supply chain which led to continuing reduction of availability and rise in prices, last quarter has been relatively steady though the availability is much lower than the pre- covid levels. Slaughtering rate improved with the relaxations in the covid protocols and lock down norms across the Country. This has led to stabilization of prices. Import of gel bones also helped to reduce our dependence on domestic raw materials. We have been able to maintain adequate levels of raw material inventory at all our manufacturing locations.

The Company is exploring more sources for importing gel bones in the coming year too.

REDUCING CARBON FOOT PRINT

The activities towards Carbon foot print reduction done during year 2021-22 are as under:

1. Ossein Division-
    a. Installed conventional biogas generation system reducing furnace oil consumption.
    b. Specific Power reduced by 50 units/MT of CB from 2019-20 through improved motor efficiencies, installing LED lights etc.
2. Gelatin Division-
    a. Specific power consumption reduced by 100 units/ MT of Gelatin from 2019-20 through installation of high efficiency motors, improved consumption efficiency, installation of LED lights etc.
3. Online meetings - Inter division travels by employees for meetings avoided by usage of digital media for conducting online meetings.

Even though COVID-19 lock downs have impacted the availability of carbon neutral fuels in the initial periods of 2020-21, the Company could reduce 2149 MT of CO2 generation compared to 2017-18 levels from Fossil Fuel reduction.

For 2021-22 major initiatives are further reduction in specific fuel & Power consumption by means of efficiency improvement, improved Boiler Steam generation efficiencies at GD, etc.

Outlook

As COVID-19 becomes endemic in most parts of the World, the global economy entered 2022 in a weaker position than previously expected. As the new Omicron COVID-19 variant spreads, Countries might re-impose mobility restrictions. Rising energy prices and supply disruptions have resulted in higher and more broad-based inflation than anticipated, notably in the United States and many emerging market and developing economies.

The drought spanning much of western North America has cooked pastures and hay crops that fatten cattle. Due to the same, the ranchers' are culling more cattle. Record-setting heat and sparse rain in late 2021, has left the ranchers with too little grass and hay to feed cattle. This has forced them to auction even young cows that have not given birth, that were potential breeding stock. As herd population has gone down last year, low population of herds will only be for slaughtering this year. The rancher's plight is one impact of many from the punishing drought, another is prices of feed alternatives such as corn, soy and wheat. South America, which accounts for more than 50% of the world's soybean supply, are expecting smaller harvests this crop season. Major agricultural agencies have already slashed their forecasts for the soybean output in 2022 as a result of severe drought since last November. All these suggests that it would even be more challenging to secure raw materials and control the inflationary pressures in these markets. This might give us opportunity for gelatin and Collagen peptide demand from India, and the Company will be able to capitalize on them if this doesn't affect the availability of key raw materials due to volatility of feed ingredients in India.

The Company needs to take a leading role in protecting Companies margin and growth, invest in proven technology and process automation, and build deep expertise in supply market dynamics, among other fundamental changes. The pricing environment must address increasing input costs with appropriate increase in prices. Currency fluctuations, interest rate uncertainty and significant increase in raw material and transportation costs will be some of the major challenges.

Russia-Ukraine war leading to sanctions on Russia will have impact on our business in this region. We need to find solutions to secure payment and logistics in order to continue the business. India's neutral stand will be favourable to us.

FINANCIAL PERFORMANCE

The financial results of operations of your Company for the year under review are detailed under the caption performance forming part of the Directors' Report. As per the same, the Company's operations have resulted in a pre-tax profit of ₹ 37.61 crores for the current year as against pre-tax profit of ₹ 24.33 crores for the previous financial year. The post-tax profit for the current year is ₹ 26.60 crores as against post tax profit of ₹ 17.90 crores for 2020-21. Other comprehensive loss (net of tax) for the current year is ₹ 2.26 crores as against other comprehensive income of ₹ 4.29 crores for the previous year. The decrease in other comprehensive income during the year is attributable to the mark-to-market loss on account of forward foreign exchange contracts for export receivables in US$. Last year there was a gain on account of such mark to market profits.

During the year, the Company has continued its efforts to optimize financial costs through availing loans in foreign currency thereby resulting in substantial reduction of financial costs.

The basic and diluted earnings per share during the year was profit of ₹ 29.29 per share as against ₹ 19.72 per share during the previous fiscal year.

HUMAN RESOURCES DEVELOPMENT

The Company undertook the following HR initiatives during the financial year:-

1. Competency Development Programme: Further to the competency assessments that were conducted, the Company kick-started a few initiatives to bridge the gaps identified in the competencies of employees
   a. Online programme: The Company successfully completed the six months program conducted by Loyola Institute of Business Administration. The program was targeted towards middle management and was conducted online. The program spanned across 64 employees and was intended to cover broadly for the competency deficiencies identified in the Competency Assessment. The benefits of the program was assessed using various tools such as quizzes, weekly assignments, and general feedback.
   b. E-learning courses: The Company prescribed e-learning modules from Udemy, Coursera, Edx, etc. to expand on the training modules for executives. In addition to general programs like Excel/Presentation skills, specific programs like project management was also covered.
   c. Competency Enhancement at BPL: The Company conducted a training program for the executives at Bamni to help assess and improve their presentation skills. As a continuation of the program, the Company has arranged for basic excel classes for the lower management executives for the next financial year.
2. Skill Assessment and Development for Workmen: The Company conducted skill assessment of workers belonging to all disciplines in the following categories: Job Knowledge, Hazard Identification, Abnormality Identification, and 5S Awareness. In-house training modules have been developed and is being rolled out for those workmen who have gaps in the skills mentioned.
3. Kirkpatrick Evaluation Method: The Company has revamped the Kirkpatrick Evaluation Methodology to assess the effectiveness of training programmes conducted. The method assesses the impact that each programme has had on the employees at three phases and ensures conduct of due diligence prior to the conduct of each programme.
4. Mentorship Programme: The Company completed the first phase of the mentorship program as per plan. Consequently, a feedback of the program was taken from both mentors and mentees and modifications to the scheme is being made based on the feedback.
5. Health & Wellness Programme: The following programmes were conducted with the objective of helping employees to enhance their health, wellness and to promote better engagement among employees.
   a. Yoga and Zumba Classes: Online classes on Zumba and Yoga were conducted to teach employees various healthy exercise options that can be used by various health goals.
   b. Covid Awareness Sessions: The Company conducted online sessions by engaging reputed experts to spread awareness among employees about COVID-19 Pandemic and to help employees and families protect themselves better against the disease.
   c. Chronic disease awareness programs: To further spread awareness among employees regarding various common ailments like heart disease, diabetes, Spinal /back problems, etc. the Company conducted live interactions with health experts in the field.
6. Vision-Mission-Values: The Company conducted

programmes to help the employees imbibe the Vision, Mission and Values of the organisation better

a. Competitions: Competitions are being conducted to help employees think more about the influence of each Value in their personal and professional lives and to engage them better in the VMV programme.

b. Value awareness sessions online: The Company invited eminent professionals to talk to the employees on how Companies demonstrate their corporate values and how the Company's values can be demonstrated at the workplace.

7. Public Relations

a. Social Media Outreach: The Company's Social Media Team continues to manage and spread online content to promote a positive image of the Organisation within both the employees and the outside community. Channels have been created on YouTube, Facebook and Twitter and content that portray NGIL in a positive light, which celebrate the success of our employees, their family members and well-wishers are regularly shared on the same.

b. Covid Awareness Sessions: Similar to the sessions conducted for the employees of NGIL, the Company also conducted awareness sessions for the public and for local Panchayath leaders to help aid in the successful overcoming of this pandemic.

c. Organic Farming promotion: In order to promote organic farming practices in the locality, the Company has included over 50 farmers from around the Company premises in their subsidised bone-meal distribution program.

8. Coaching programme: The Company has continuously nominated its senior executives for coaching programs through an organisation called We3Coaches.

9. Engagement Calendar: The Company has initiated a planned engagement calendar which includes various events recognised and celebrated within the Company. They include festivals like Christmas and Onam, National holidays and generally recognised awareness days like World Spine Day, World Diabetes day, National Safety day, etc.

10. Counselling for retiring employees: The Company has incorporated financial and psychological counselling sessions for retiring employees to help them transition to a retired life.

11. Company Culture Score: The Company has initiated a multipronged culture score that attempts to capture the progress made in promoting a culture of excellence among the employees.

12. Follow up surveys and studies: In order to measure the progress of various initiatives, the Company conducted follow up assessments. They were as follows:

a. Employee engagement: The Company employed the services of M/s ActionRich Business Solutions to gauge the engagement levels of the employees. The results of the survey were highly positive with there being no actively disengaged employees identified.

b. Competency Development: The Company conducted the assessment of the competencies of its senior executives to evaluate the effectiveness of the various initiatives.

13. Community perception: With the dual purpose of understanding the needs of the community as well as to evaluate the effectiveness of the Company's various community outreach initiatives, the Company conducted a follow up perception survey among the households living close to the Company's premises. The perception score showed a marked improvement in the brand recognition and acceptance among the households. Additionally, the survey gave important insights which can be imbibed into future CSR projects in the community.

14. Union Wage Settlements: During the year, our Company has successfully concluded the Long Term Settlement all our Divisions including Ossein Division at Kadukutty, Gelatin Division at Kakkanad and Reva Division at Jhagadia Industrial Estate, Gujarat. This settlement was completed after a series of discussions with the respective Union Leaders as a part of the negotiation process. The tenure of these settlements are for 4 years as was the practice earlier and it is also goes to show the peaceful manner in which they were conducted and amicably concluded.

KEY FINANCIAL RATIOS

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor, including:

Key Ratios with a variance of more than 25 % compared to the previous year -

Sl. No	Particulars	As at 31.03.2022	As on 31.03.2021	Variance	Reason
1	Debt Service Coverage Ratio	5.32	3.52	51%	There is a 27% increase in net operating income and considerable repayments made during last year itself.
2	Return on Equity Ratio	0.14	0.1	34%	There is a 49% increase in PAT ,hence the increase in ROE
3	Trade Receivables Turnover Ratio	6.17	8.29	-26%	Though the increase in sales is 18%, the overall increase in debtors is 37% resulting in net reduction in receivable ratio.
4	Trade payables Turnover Ratio	22.3	16.21	38%	Though the net purchases increased, the outstanding payables decreased resulting in increase in payable ratio.
5	Net capital Turnover Ratio	7.35	10.37	-29%	Average working capital has shown a huge increase due to surge in receivable and inventory balances resulting in overall decline in ratio.
6	Net profit Ratio	0.06	0.05	25%	49% increase in PAT resulting in increased NP ratio
7	Return on Investment	0.39	0.75	-48%	Reduction in dividend received from Bamni Proteins Limited.

CAUTIONARY STATEMENT

The Management Discussion and Analysis Report containing your Company's objectives, projections, estimates and expectation may constitute certain statements which are forward looking within the meaning of the applicable laws and regulations. Actual results may differ materially from those expressed or implied in the statements. Your Company's operations may inter-alia be affected by the supply and demand situation, input price and availability, changes in Government Regulations, Tax Laws, foreign exchange rate fluctuations and other factors. The Company cannot guarantee the accuracy of assumptions and perceived performance of the Company for the future.

The Management believes that the strategic direction of your Company is sound and will fulfill the Shareholders' expectations, both short term and long term.

For and on behalf of the Board of Directors
Sd/-
A.P.M MOHAMEDHANISH IAS
CHAIRMAN
DIN: 02504842

Kochi
06.05.2022

ANNEXURE I

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company:
   - Empowerment of the disadvantaged/weaker sections of the society through education, skill development etc.;
   - Providing basic necessities like healthcare, drinking water & sanitation;
   - Supporting environmental and ecological balance through afforestation, soil conservation, conservation of flora and similar programmes;
   - Promotion of sports through training of sports persons;
   - Rural development projects; etc.
2. Composition of CSR Committee: As per Section 135(9), the Company has discontinued to have a Sub-Committee of the Board and preferred a Committee of functional Executives.
3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company: http://www.gelatin.in/
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of Sub- Rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): N.A.
5. Details of the amount available for set off in pursuance of Sub- Rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: N.A.
6. Average net profit of the Company as per Section 135(5).

Particulars	Amount (in ₹)
Profit before taxes F Y 2018-19	-3,66,52,546
Profit before taxes F Y 2019-20	6,87,93,000
Profit before taxes F Y 2020-21	24,33,65,100
Average Profit before taxes for the last 3 years	9,18,35,185

7. (a) Two percent of average net profit of the Company as per Section 135(5) – ₹ **18,36,704/-**
   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years- **N.A.**
   (c) Amount required to be set off for the financial year, if any- **N.A.**
   (d) Total CSR obligation for the financial year (7a+7b-7c) **- ₹ 18,36,704/-**

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund Amount	Amount	Date of Transfer
18,85,937.00	Nil	Nil	Nil	Nil	Nil

(b) Details of CSR amount spent against ongoing projects for the financial year: **N. A.**

(c) Details of CSR amount spent other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (₹ in Lakhs).	Amount spent in the current financial Year (₹ in Lakhs).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Lakhs).	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR No.
1(A)	Education	1(ii)	Yes	Kerala	Thrissur	1 year	7,21,738	7,21,738	Nil	No	Trust	CSR00001217
2(A)	Healthcare Initiatives	1(i)	Yes	Kerala	Thrissur	1 year	2,83,638	2,83,638	Nil	No	Trust	CSR00001217
2(B)	Healthcare Initiatives	1(i)	Yes	Kerala	Ernakulam	1 year	15,000	15,000	Nil	No	Trust	CSR00001217
3(A)	Community Development/ Sports	vii	Yes	Kerala	Thrissur	1 year	6,68,112	6,68,112	Nil	No	Trust	CSR00001217
3(B)	Community Development/ Sports	vii	Yes	Kerala	Ernakulam	1 year	35,000	35,000	Nil	No	Trust	CSR00001217
3(C)	Community Development/ Sports	vii	Yes	Gujarat	Bharuch	1 year	1,62,449	1,62,449	Nil	No	Trust	CSR00001217

(d) Amount spent in Administrative Overheads **N.A.**

(e) Amount spent on Impact Assessment, if applicable **N.A.**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) ₹ **18,85,937**

(g) Excess amount for set off, if any **NIL**

9. (a) Details of Unspent CSR amount for the preceding three financial years: **N.A.**

   (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **N.A.**

10. . In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year **- NIL**

(asset-wise details)

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5). **N.A.**

Sd/-
(Chairman, CSR Executive Committee)

ANNEXURE - II

Form AOC-I

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures.

(Pursuant to first proviso to Sub-Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Part 'A': Subsidiaries

Sl. No.		
1	Name of the Subsidiary	BAMNI PROTEINS LIMITED
2	Reporting period for the Subsidiary concerned, if different from the holding Company's reporting period	Reporting period same as Holding Company
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	N.A
		Amount in (₹ Lakhs)
4	Share capital	425.00
5	Reserves & surplus	2087.09
6	Total assets	3599.25
7	Total Liabilities	3599.25
8	Investments	-
9	Turnover	9382.89
10	Profit/(loss) before taxation	1452.30
11	Provision for taxation	360.61
12	Profit after taxation from continuing operations	1091.69
13	Other comprehensive income/(loss)	(11.27)
14	Total comprehensive income/(loss)	1080.42
15	Proposed Dividend	135%
16	% of shareholding	82.35%

1. Names of Subsidiaries which are yet to commence operations - NIL
2. Names of Subsidiaries which have been liquidated or sold during the year.- NIL

Part 'B': Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

There was no associate/joint venture for the Company during its reporting period.

1. Names of associates or joint ventures which are yet to commence operations: NIL
2. Names of associates or joint ventures which have been liquidated or sold during the year: NIL

For and on behalf of the Board of Directors

Sd/-
A.P.M MOHAMEDHANISH IAS
Chairman
DIN: 02504842

Kochi
06.05.2022

ANNEXURE III

Conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo

(A) CONSERVATION OF ENERGY

(a) During the year, various energy conservation measures were initiated.

(b) Additional investments are being proposed for further optimization of utilities.

(a) Energy conservation activities carried out during the year:

Activities at Ossein Division

1. VFD with pressure control system installed in main Fresh water feed water pump to the plant.
2. Installed an automated Polymer dosing system in ETP Sludge drier.
3. Installed a submersible mixer for conventional Biogas tank for complete mixing of sludge for efficient generation of biogas.
4. Acid Feeding mechanism automated for reducing chilled water consumption
5. Installed FRP cooling tower fans for chiller cooling towers to reduce power consumption.
6. Installed Solar Streetlights at ETP area.
7. Installed IE3 motors for replacing old rewound motors.

Activities at Gelatin Division

i) Old lights inside the plant and street lights were replaced with low power LED lights.
ii) More number of Inefficient IE1 motors replaced with Energy efficient Motor IE3 Motors.
iii) Power Trading to reduce power cost.
iv) VFD installed for variable load motors in pumps.
v) Energy Management system for better control and monitoring of Energy usage.
vi) Hot and cold insulation done for process utility lines.
vii) Operating Chiller in efficient manner to reduce power consumption.
viii) Replaced 12 numbers of old sodium halide street lights of 250W with 50W LED lights.
ix) Replacement of 15 numbers of 250W sodium halide lights inside the plant with 100W LED lights
x) Boiler retrofitting activities completed
xi) Bio digester (LARS) work started
xii) New cooling tower installed for improving chiller efficiency.

Activities at Reva Division

a. Installed an energy efficient aerator in aeration tank -1 in the month of September 2021. This has resulted in a power saving of 7.5 KW leading to an annual saving of ₹ 5,06,258/-.
b. Replaced 12 numbers of High Pressure Sodium Vapour Lamps (HPSV) with LED lights in 2021-22. This has resulted in a saving of 15.74 units per day which is equivalent to a saving of ₹ 44,812/- in a year.
c. Installed a VFD in for a water pump in November 2021 which has resulted in a saving of 217 units per day. This corresponds to an annual savings of ₹ 5.9 Lakhs.

Capital investments on energy conservation equipment

The Company has spent an amount of ₹ 3.92 Crores as capital expenditure on energy saving equipment during the year 2021-22.

Energy conservation activities proposed for 2022-23

1. Solar system for Office building/Lighting
2. Installation of IE3 motors
3. Energy efficient gearbox for DCP reaction tank.
4. Submersible mixer for LESAR buffer tank - 1
5. Acid bath 4 series automation
6. Replacement of more number of Inefficient IE1 motors with Energy efficient IE3 Motors
7. Installation of low pressure process air compressor
8. Replacement of reciprocating Brine chiller with Screw type.
9. VFD installed for variable load motors
10. High mast LED street light fixing
11. Use of a volute for sludge filtration which could reduce the running time of Rotary Vacuum Drum Filters which are highly energy inefficient.
12. Replace 10 more High pressure Sodium Vapour Lamps with LED lamps.

(B) TECHNOLOGY ABSORPTION AND DEVELOPMENT

The technology for the manufacture of Ossein, Di Calcium Phosphate, Limed Ossein, Gelatin and Collagen Peptide transferred by the overseas collaborators has been fully absorbed and improved upon over the years. The Company is making continuous efforts for further improving technology to economise on consumption of utilities and improving product quality and productivity.

The Company continue to be under a Technical Assistance Agreement with the overseas collaborator, NGI, Japan whereby it can avail the services of trained experts in Nitta Group in any desired area of Gelatin / Peptide production. Any noteworthy developments in the area of any of the products at NGI, Japan or its associates are shared with the Company.

The Company is investing substantially for environment improvement projects at all its production centres.

RESEARCH & DEVELOPMENT

The Company has exclusive Research & Development (R&D) centres attached to each of its major production centres. All these centres are approved by the Department of Scientific and Industrial Research (DSIR), Government of India and they carry out development of new products, processes besides improvement of existing products and production processes. R&D along with Technical service is working on quality improvement of crushed bones, gelatin and collagen peptides.

The Company is continuing its R&D efforts for finding out novel techniques for separation of Chloride, development of alternate raw materials, reduction in process time etc. Specific areas in which R&D is carried out are:-

- Development of new products in health and food sector, line extension of existing products and new applications for the same.
- Evaluation and development of new sources for various raw materials.
- Development of new process techniques for cost optimization as well as fuel and energy conservation.
- Reduction in water consumption

R&D wing of the Company has a team of trained and dedicated personnel to further strengthen its activities.

The major R&D projects carried out by the Company during the year are as follows:

Functional collagen peptides for Diabetes management: This product is a DPP4 inhibitor based on patented technology. Two clinical trials have been completed and results have showed significant improvement in Fasting Blood Sugar (FBS) and HbA1C in diabetics. Health claim approval for this product has been obtained from FSSAI.

Functional Collagen Peptides for Osteoarthritis management: This product has high concentrations of functional dipeptides and these peptides are responsible for its better efficacy. One clinical trial has been completed and low dose supplementation of this product has proven to be efficacious in the effective management of osteoarthritis.

Functional Collagen Peptides for skin health and beauty: Developed in the Company using NGI Japan technology. This product has high concentrations of functional dipeptides. Even a low dosage supplementation of this product has resulted in significant improvement in the moisture, elasticity and texture of skin.

Type II Collagen Peptides: This product is for the management of osteoarthritis. Lab process standardization is in progress.

Formulations: Various nutraceutical/food application formulations were developed with Collagen Peptides, stability studies have been completed and prototypes were shared with customers for their evaluation. These formulations were under the category of sports and fitness; skin health and beauty; bone and joint health. Products are developed in different delivery formats with flavors variants. Two of them are already available in consumer product category under Gelixer brand name – Gelixer Classic and Gelixer Beauty.

Expenditure on R&D

Particulars	₹ in Lakhs	
	Current year	Previous year
a. Capital – R&D Centre Ossein Division & Gelatin Division	8.11	24.48
Total Capital expenditure	8.11	24.48
b. Recurring expenses - Ossein Division R&D Centre, Gelatin Division R&D Centre & Bamni Division	180.92	169.70
Percentage to turnover (%)	0.46%	0.56%

(C) Foreign Exchange earnings and outgo

	(₹ in Lakhs)	
	Current year	Previous year
a.Earnings	20,279.53	17,326.54
b.Outgo	4,679.57	3,430.21

FORM-A
Form for disclosure of particulars with respect to conservation of energy

Particulars	Current year 2021-22	Previous year 2020-21
A. POWER AND FUEL CONSUMPTION		
1. Electricity		
(a) Purchased		
Units (KWH in Lakhs)	300	288.26
Total Amount (₹ In Lakhs)	1958	1805.80
Rate/Unit (₹)	6.5	6.26
(b) Own Generation		
(i) Through Diesel Generator Unit (KWH in Lakhs)	2	1.73
Unit per litre of Diesel Oil	2.5	2.5
Cost/Unit (₹)	34	28.81
2. Furnace Oil		
Quantity (in KL)	674	546
Total Amount (₹ in Lakhs)	323	155.44
Average rate (₹ per KL)	47975	28477.42
3. Firewood		
Quantity (in MT)	39631	35940
Total Amount (₹ in lakhs)	1389	1176.02
Average rate (₹ per MT)	3506	3272.17
4. LNG		
Quantity (in MMBTU)	20940	25608.45
Total Amount (₹ in Lakhs)	216	189.08
Average rate (₹ per MMBTU)	1030	738.35
5. COAL		
Quantity (in MT)	4101	3717
Total Amount (₹ in Lakhs)	384	217.20
Average rate (₹ per MMBTU)	9355	5843.96
Product - Ossein		
1. Electricity (KWH) per MT	2402	2677
2. Coal (MT)/MT	0.96	0.51
Product - DCP		
1. Furnace Oil (KL)/MT	0.02	0.023
2. Coal (MT)/MT	0.48	0.51
Product – Gelatin		
1. Electricity (KWH) per MT	2981	3169
2. Furnace Oil (KL) per MT	0.11	0.09
3. Firewood (MT) per MT	7.57	7.29
4. LNG (MMBTU)/MT	5.05	8.6
Product – Collagen Peptide		
1. Electricity (KWH) per MT	5353	4741.56
2. Firewood (MT) per MT	6.34	5.17

For and on behalf of the Board of Directors
Sd/-
A.P.M MOHAMEDHANISH IAS
Chairman
DIN: 02504842

Kochi
06.05.2022

ANNEXURE IV

Particulars of Employees

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 134(3)(q) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

A. Requirements under Rule 5(1)		
(i)	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year;	Mr. Sajiv K. Menon, Managing Director – 25.8 (19.69) Dr. Shinya Takahashi, Director (Technical) – 3.47 (4.35)
(ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.	Mr. Sajiv K. Menon, Managing Director - 63.56% (-34.83%) Key Managerial Persons: Dr. Shinya Takahashi, Director (Technical) – 0.45% (0.32%) Mr. P. Sahasranaman, CFO - 9.56% (16.98%) Mr. G. Rajesh Kurup, CS – 8.52% (9.36%)
(iii)	The percentage increase in the median remuneration of employees in the financial year;	24.85% (8.00%)
(iv)	The number of permanent employees on the rolls of the Company;	474 permanent employees as on 31.03.2022
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Salary increase of managerial personnel is 11.00% and that of non-managerial is 23.18%.
(vi)	Affirmation that the remuneration is as per the remuneration policy of the Company	Remuneration paid by the Company during the financial year 2021-22 is as per the Remuneration policy of the Company.

For and on behalf of the Board of Directors

Sd/-
A.P.M MOHAMEDHANISH IAS
Chairman
(DIN: 02504842)

KOCHI
06.05.2022

ANNEXURE - V

Form AOC-2

(Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014).

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Sub- Section (1) of Section 188 of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis Nil
2. Details of material contracts or arrangement or transactions at arm's length basis
   a) Name(s) of the related party and nature of relationship

      i) Nitta Gelatin Inc. - Enterprise having substantial interest in the Company
      ii) Nitta Gelatin NA Inc. - Subsidiary of Nitta Gelatin Inc.
      iii) Nitta Gelatin Canada Inc. - Subsidiary of Nitta Gelatin Inc.
      iv) Bamni Proteins Ltd. - Subsidiary Company

   b) Nature of contracts/arrangements/transactions
      Sales/purchase of materials Availing or rendering of services

   c) Duration of contracts/arrangements/transactions
      01st April, 2021 to 31st March, 2022.

   d) Salient terms of the contracts or arrangements or transactions including the value, if any.
      Refer Note No. 3.29 on accounts

   e) Date(s) of approval by the Board, if any: 02.08.2021, 09.11.2021, 07.02.2022 and 06.05.2022.

Sd/-

A.P.M MOHAMEDHANISH IAS
Chairman
(DIN: 02504842)

KOCHI
06.05.2022

ANNEXURE - VI

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022.

[Pursuant to Section 204(1) of the Companies Act,2013 and Rule No.9 of the Companies(Appointment and Remuneration of Managerial Personnel) Rules,2014 and Regulation 24 A of the Securities and exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015)].

To

The Members,
Nitta Gelatin India Limited
CIN: L24299KL1975PLC002691
56/715, SBT Avenue, Panampilly Nagar,
Ernakulam, Kochi-682 036.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Nitta Gelatin India Limited (hereinafter called the Company), CIN: L24299KL1975PLC002691, 56/715, SBT Avenue, Panampilly Nagar, Ernakulam, Kochi - 682 036. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 complied with statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2022 according to the provisions of:

(i) The Companies Act,2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts(Regulation) Act,1956 (SCRA) and the Rules made thereunder;

(iii) The Depositories Act,1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act,1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) :-

(a) The Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. (Not applicable to the Company during audit period).

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. (Not applicable to the Company during audit period)

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during audit period);

(f) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange board of India (Delisting of Equity shares) Regulations, 2009 (Not applicable to the Company during audit period); and

(h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998 (Not applicable to the Company during audit period);

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(vi). The following other laws as may be applicable specifically to the Company;

(a) The Food Safety Standard Act, 2006 and the Rules and Regulations issued thereunder.

(b) The Petroleum Act, 1934 and Rules and Regulations issued thereunder.

(c) The Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standard on meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) and Secretarial Standard on Dividend (SS-3) issued by the Institute of Company Secretaries of India.

(ii) The Listing Agreement entered into with BSE Ltd.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as specified below:

1. *It is found that the Audit Committee at their meeting held on 06.05.2021 had made recommendation to the Board to authorise Managing Director to appoint Internal Auditors for the Reva Division and based on this the Board at their meeting held on 07.05.21 authorised Managing Director to appoint Internal Auditor for the Reva Division. Further, the act of Appointment of Internal Auditor by the MD is not subsequently ratified by the Board. On analysis, the act of recommendation and subsequent authorisation by the board are not in accordance with Section 179(3) since the power of appointment of Internal Auditor specified under Section 179(3)(k) has been vested specifically upon the Board and shall exercise those power only at their meeting and cannot be delegated to Managing Director. This is despite the fact that RGN & Price Co., Chartered Accountants has been appointed as internal auditors of the Company without specifically excluding Reva Division. Hence my advice to the Board is to note/ratify the appointment of internal Auditors for the Reva Division in the ensuing Board meeting.*

2. *There is an inadequate compliance with the Secretarial Standards I Clause 6.4 in as much as the Circular resolution dated 27.04.2021 wrt to appointment of Mr. V. Ranganathan, Independent Director, even though the same taken note at the Board meeting dated 07.05.2021, but the assent/dissent obtained from the Directors has not been mentioned in the said Board Minutes as provided in the said standards.*

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non -Executive Directors and Independent Directors except to the extent specified above. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through, while dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws including general laws, labour laws, competition law, environmental laws and Rules, Regulations and Guidelines.

I further report, based on the information furnished and upon examination of documents the Company had completed all post-merger activities. Company has not undertaken any event/action which would have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above.

UDIN: F010876D000153304
C.P. No.: 14524
Unique Code No. I2015KE2046800
PR No. 728/2020

Date: 19.04.2022
Place: Kochi

This Report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this Report.

Sd/-
ABHILASH NEDIYALIL ABRAHAM
B.B.A, LL.B, F.C.S
Practising Company Secretary
M.No. F10876, C.P. No. 14524
Bldg No. 46/2504-b, Haritha Road,
Vennala, Kochi-682028

Annexure A

To
The Members,
Nitta Gelatin India Limited
CIN: L24299KL1975PLC002691
56/715, SBT Avenue, Panampilly Nagar,
Ernakulam, Kochi-682 036.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company. I have carried out the Audit in accordance with the Guidance to Members in Practice to carry out professional assignments during Covid -19 pandemic issued by the Institute of Company Secretaries of India (ICSI) as well as in accordance with Covid-19 protocol issued by Govt. Authorities.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules, and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

UDIN: F010876D000153304
C.P. No.: 14524
Unique Code No. I2015KE2046800
PR No. 728/2020

Date: 19.04.2022
Place: Kochi

Sd/-
ABHILASH NEDIYALIL ABRAHAM
B.B.A, LL.B, F.C.S
Practising Company Secretary
M.No. F10876, C.P. No. 14524
Bldg No. 46/2504-b, Haritha Road,
Vennala, Kochi-682028

ANNEXURE - VII

ANNUAL SECRETARIAL COMPLIANCE REPORT OF NITTA GELATIN INDIA LIMITED FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

I, Shri. Abhilash Nediyalil Abraham, Practising Company Secretary (M No.F10876; C.P No.14524), 46/2504B, Haritha Road, Vennala, Ernakulam, Kochi – 28 have examined:

(a) all the documents and records made available to us and explanation provided by Nitta Gelatin India Limited ('the listed entity'),

(b) the filings/submissions made by the listed entity to BSE Limited,

(c) website of the listed entity,

(d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the financial year ended 31st March, 2022 ('Review Period') in respect of compliance with the provisions of:

(a) the Securities and Exchange Board of India Act, 1992 ('SEBI Act') and the Regulations, circulars, guidelines issued thereunder; and

(b) the Securities Contracts (Regulation) Act, 1956 ('SCRA'), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ('SEBI');

The specific Regulations, whose provisions and the circulars/guidelines issued thereunder, have been examined, include:-

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not applicable during the review period)**;

(c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable during the review period)**;

(e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable during the review period)**;

(f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable during the review period)**;

(g) Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations,2013 **(Not applicable during the review period)**;

(h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

and based on the above examination, I hereby report that, during the Review Period:

(a) The listed entity has complied with the provisions of the above Regulations and circulars/guidelines issued thereunder, except in respect of matters specified below:-

Sr. No	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
Nil			

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/guidelines issued thereunder insofar as it appears from my examination of those records.

(c) The following are the details of actions taken against the listed entity/its promoters/directors/material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/Regulations and circulars/guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
Nil				

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 2020-21	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1	As per Regulation 17(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 50% of the Board of Directors of Nitta Gelatin India Limited shall be Independent Directors. There was one short of the required number of Independent Directors on the Board for the limited period between 19.03.2021 to 31.03.2021 consequent to the retirement of Dr. K. Cherian Varghese, Independent Director on 18.03.2021.	2020-21	Appointed Mr. V. Ranganathan as Independent Director on 27/04/2021 and complied with the Board composition.	Noted
2	Considering the retirement of Dr. K. Cherian Varghese on 18.03.2021 and as a proactive measure, the Board of Directors at their meeting held on 29.01.2021 had reconstituted the Stakeholders Relationship Committee (SRC) and Nomination and Remuneration Committee (NRC) with sufficient number of Directors. However, Audit Committee (AC) has not been reconstituted with sufficient number of Directors on the day. Hence, for the limited period between 19.03.2021 to 31.03. 2021, the number of required ID in the Audit Committee was one short of the minimum required as per Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.	2020-21	Appointed Mr. V. Ranganathan as member of the Audit Committee and complied with the Audit Committee composition.	Noted

UDIN: F010876D000153304
C.P. No.: 14524
Unique Code No. I2015KE2046800
PR No. 728/2020

Date: 19.04.2022
Place: Kochi

Sd/-
ABHILASH NEDIYALIL ABRAHAM
B.B.A, LL.B, F.C.S
Practising Company Secretary
M.No. F10876, C.P. No. 14524
Bldg No. 46/2504-b, Haritha Road,
Vennala, Kochi-682028

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY

Corporate Governance ensures high standards of transparency, accountability, ethical operating practices and professional management thereby enhancing Shareholders' value and protecting the interest of the Stakeholders such as Shareholders, Suppliers, Customers and Employees. The Company is committed to attain high standards of Corporate Governance by ensuring integrity in financial reporting, disclosure of material information, continuous improvement of internal controls and sound investor relations.

2. BOARD OF DIRECTORS

Composition

The Board of Directors as on 31st March 2022 consisted of ten (10) Directors. The Board has an optimum combination of Executive and Non-Executive Directors who are eminent professionals in their respective fields with wide range of skills, knowledge and experience. They are drawn from amongst persons with proven track record in business/finance/public enterprises. There is no relationship between Directors inter-se except that two Directors are Nominees of Kerala State Industrial Development Corporation Limited (KSIDC) and three Directors are nominees of Nitta Gelatin Inc., Japan (NGI); KSIDC and NGI, Japan being the Promoters of the Company.

Number of Board Meetings held during the year along with dates of Meetings

Four (4) Board Meetings were held during the financial year 2021-22 i.e, on 07.05.2021, 02.08.2021, 09.11.2021 and 07.02.2022.

The composition and attendance at the Board Meetings and Annual General Meeting (AGM) during the financial year and other Directorships/Committee Memberships in other entities as on 31.03.2022 were as follows:

Sl. No.	Name of the Directors	Category	Shares/ Convertible instruments held in the Company	No. of Board Meetings attended/ held	Attendance in last AGM (Yes/No/ NA)	Business relationship with Nitta Gelatin India Ltd (NGIL)	Other Director ships	Committee Membership (see Note 2.01)	
								Member	Chairman
1	Mr. A.P.M Mohamedhanish IAS, Nominee of KSIDC and Principal Secretary, Industries Department, Government of Kerala. (Appointed on 15.02.2022)	Nominee Director representing KSIDC (Equity investor)	-	NA	NA	-	8	-	-
2	Dr. K Ellangovan IAS, Nominee of KSIDC and Principal Secretary, Department of Industries and Commerce and Department of NORKA (Ceased to be Nominee Director on 15.02.2022)	Nominee Director representing KSIDC (Equity investor)	-	3/4	Yes	-	5	-	-
3	Mr. M.G. Rajamanickam IAS, Nominee of KSIDC, Managing Director of KSIDC	Nominee Director representing KSIDC	-	1/4	No	-	7	-	-

Sl. No.	Name of the Directors	Category	Shares/ Convertible instruments held in the Company	No. of Board Meetings attended/ Held	Attendance in last AGM (Yes or No)	Business relationship with Nitta Gelatin India Ltd (NGIL)	Other Director ships	Committee Membership (see Note 2.01)	
								Member	Chairman
4	Mr. Koichi Ogata	Promoter Director	-	4/4	Yes	President, Nitta Gelatin Inc., Japan (Promoter).	-	-	-
5	Mr. Hidenori Takemiya	Alternate Director to Mr. Koichi Ogata (Ceased to be Director on 07.05.2021)	-	No	0/4	No	-	-	-
6	Mrs. Radha Unni	Non-Executive Independent Director	-	4/4	Yes	-	7	7	-
7	Mr. E. Nandakumar	Non-Executive Independent Director	-	4/4	Yes	-	-	-	-
8	Dr. Justice M. Jaichandren (Retd)	Non-Executive Independent Director	-	4/4	Yes	-	-	-	-
9	Mr. Yoichiro Sakuma	Non-Executive Independent Director	-	3/4	Yes	-	-	-	-
10	Mr. Sajiv K. Menon (ceased to be Managing Director on 31.03.2022)	Managing Director	-	4/4	Yes	Chairman, Bamni Proteins Limited (Subsidiary Company)	1	-	-
11	Dr. Shinya Takahashi	Whole Time Director	-	4/4	Yes	Director, Bamni Proteins Limited (Subsidiary Company)	1	-	-
12	Mr. V. Ranganathan	Non-Executive Independent Director	-	3/4	Yes	-	5	4	1

2.01 For reckoning the number of Board Committees in which the Director is a Member or Chairperson in Public Limited Companies only the Audit Committee and Stakeholders' Relationship Committee is considered.

2.02 The Board of Directors has an optimum combination of Executive and Non-Executive Directors with not less than 50% of the Directors being Non-Executive Directors and one Woman Director in conformity with Regulation 17(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure

Requirements) Regulations, 2015.

None of the Directors are disqualified under Section 164 of the Companies Act, 2013. A Certificate from a Practising Company Secretary stating that none of the Directors are disqualified, forms part of this report. Necessary declarations have been made by the Directors under Regulation 26(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, stating the Committee positions held by them in other entities.

2.03 As per proviso to Regulation 17(1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, since the Company has a Non-Executive Chairman who is the nominee of a Promoter, at least one half of the Board of Directors of the Company shall consist of Independent Directors. Accordingly, the requisite number of Independent Directors during the year meets the statutory requirement. The Independent Directors as on 31.03.2022 were Mr. E. Nandakumar, Mrs. Radha Unni, Mr. Yoichiro Sakuma, Dr. Justice M Jaichandren (Retd.) and Mr. V. Ranganathan, who meet the prescribed criteria of Independence during the financial year. In the opinion of the Board, the Independent Directors fulfill the conditions specified in these Regulations and are independent of the management.

Name of the Listed Companies in which each Director holds Directorships including category of Directorship

Sl. No.	Name of the Director	Name of the Listed Company	Category
1	Dr. K Ellangovan IAS	Nitta Gelatin India Limited	Nominee Director
2	Mr. M.G. Rajamanickam IAS	1. Geojit Financial Services Limited 2. Nitta Gelatin India Limited	Nominee Director
3	Mr. Koichi Ogata	Nitta Gelatin India Limited	Non- Executive Non-Independent Director
4	Mr. Hidenori Takemiya	Nitta Gelatin India Limited	Alternate Director
5	Mrs. Radha Unni	1. The South Indian Bank Limited 2. V Guard Industries Limited 3. Nitta Gelatin India Limited 4. Western India Plywoods Limited	Independent Director
6	Mr. E. Nandakumar	Nitta Gelatin India Limited	Independent Director
7	Dr. Justice M. Jaichandren (Retd.)	Nitta Gelatin India Limited	Independent Director
8	Mr. Yoichiro Sakuma	Nitta Gelatin India Limited	Independent Director
9	Mr. Sajiv K. Menon*	Nitta Gelatin India Limited	Managing Director
10	Dr. Shinya Takahashi	Nitta Gelatin India Limited	Whole Time Director
11	Mr. A.P.M Mohamedhanish IAS	Nitta Gelatin India Limited	Nominee Director
12	Mr. V. Ranganathan	1. Nitta Gelatin India Limited 2. TTK Healthcare Limited 3. The India Cements Limited	Independent Director Independent Director Non- Executive Non-Independent Director

* Mr. Philip Chacko M (DIN: 01219764) has been appointed as the Managing Director of the Company with effect from 01.04.2022 in place of Mr. Sajiv K. Menon whose term as Managing Director has completed on 31.03.2022.

Change in Directors during the Financial Year

Mr. V. Ranganathan who was appointed as an Additional Director qualifying as an Independent Director on 27.04.2021 was appointed as Director by the Shareholders in the Annual General Meeting held on 03.08.2021.

Dr. K. Ellangovan IAS ceased to be Nominee Director on 15.02.2022 consequent to his retirement from Government services. Whereafter, Mr. A.P.M Mohamedhanish IAS was appointed as Nominee Director on 15.02.2022 by KSIDC.

Mr. Sajiv K. Menon ceased to be the Managing Director on 31.03.2022.

Mr. Hidenori Takemiya who was the Alternate Director ceased to be Director of the Company w.e.f. 07.05.2021.

Familiarisation Programme

The Company has fully recognized the need for keeping Directors, especially the Independent Directors abreast of the changes in the corporate sector, be it any new trends and mandates in Corporate Governance practices or the governing legal provisions in corporate law. In that direction, the Company has, at the time of appointment of Independent Directors at the Annual General Meeting issued them formal letters of appointment which explains the role, function, duties and responsibilities expected of them as Directors of the Company. It is also explained in detail to the Director, the compliances required from him/her under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and his/her affirmation taken in respect of the same. The web link where details of Familiarization Programme imparted to Independent Directors disclosed is as under:

https://gelatin.in/uploads/homecontent/FAMILIARIZATION%20PROGRAMMES_20160722105811_20190816112054.pdf

Separate Meeting of Independent Directors

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors of the Company had held one Meeting in the financial year 2021-22 i.e, on 05.02.2022. All the Independent Directors attended the Meeting. The Meeting reviewed the performance of the Non-Independent Directors and the Board as a whole, including the Chairman and found them to be satisfactory.

Code of Conduct

The Board approved the Code of Conduct applicable to the Board Members, the Senior Management Personnel and employees of the Company at its Meeting held on 14.05.2007, which was suitably modified at the Meeting on 03.02.2015, for including the duties of Independent Directors. The updated Code has been posted on the website of the Company www.gelatin.in. All Board members and Senior Management Personnel have affirmed compliance with the code and a declaration to this effect is annexed to this report.

Board Profile as on 31.03.2022

a. Mr. A.P.M Mohamedhanish IAS, Chairman

Mr. A.P.M Mohamedhanish IAS who holds a B Tech Degree in Civil Engineering was selected to Indian Administrative Service in 1996. He is presently serving as Principal Secretary, Industries Department, Government of Kerala. He holds the additional charge of Principal Secretary, General Education and WAQF Department and as Managing Director of Cheraman Financial Services Limited. He had in the past been a National Trainer on Leadership Skills by the Department of Personnel and Training, Government of India and has participated in programmes for training Civil Servants at the National level. Besides, he has undergone training programmes at University of Toronto, Canada, Asian Institute of Technology, Bangkok, Thailand and Indian Institute of Management, Bangalore.

b. Mr. Sajiv K. Menon, Managing Director

Mr. Sajiv K. Menon holds a B.Tech degree in Chemical Engineering from NIT Tiruchirapalli, PGDM (Finance & Marketing), from IIM, Bangalore, and was a Fulbright Scholar at Carnegie Mellon University, USA. He had nearly 34 years of experience in various capacities in Engineering and Chemical Industries before taking charge as Managing Director of the Company on 01.04.2014, the term which got completed on 31.3.2022.

c. Dr. Shinya Takahashi, Whole Time Director

A Bachelor in General Education and Ph.D. from Chiba University - a Graduate School of Advanced Integration Science, Dr. Shinya Takahashi had a long tenure as General Manager (QA), Nitta Gelatin Inc., Japan.

d. Mr. M.G. Rajamanickam IAS

Mr. M.G. Rajamanickam IAS, holds a Master's degree in Engineering. He joined the Indian Administrative Service in the Kerala Cadre in the year 2008. He served as the District Collector of Kannur & Ernakulam, CMD of Kerala State Road Transport Corporation, Managing Director of Kerala Financial Corporation, Kerala Books & Publication Society, Kerala State IT Infrastructure Ltd etc. He is presently the Managing Director of Kerala State Industrial Development Corporation Limited (KSIDC).

e. Dr. Justice M. Jaichandren (Retd.)

Dr. Justice M. Jaichandren (Retd.), holds a Bachelor Degree in Arts and a Masters Degree in Criminology from the Department of Psychology, University of Madras. He has in all 47 years' standing in the Bar and Bench, of which for 12 years, beginning 10th Dec, 2005, he served as the Justice in the Hon'ble High Court of Madras. Presently, he is a Senior Advocate of the Hon'ble Supreme Court of India.

f. Mr. E. Nandakumar

A Chemical Engineer with MBA, he was the erstwhile Executive Director of BPCL Kochi Refinery, and has over 30 years' experience with Oil Refinery, Petrochemicals and Gas processing Industry. Earlier, he was Director in the Board of Cochin Port Trust, Cochin International Airport Limited and Petronet CCK.

g. Mrs. Radha Unni

Mrs. Radha Unni M.A, B.Ed, CAIIB, is a Banker by profession, with 36 years' experience in State Bank of India, where she retired as Chief General Manager in charge of Kerala Circle. She is an Independent Director of the Company.

h. Mr. Yoichiro Sakuma

Mr. Yoichiro Sakuma an Independent Director was earlier Director and Executive Vice President of Nitto Denko, Japan.

i. Mr. Koichi Ogata

Mr. Koichi Ogata is President, NGI, Japan, having earlier held senior positions in the Industry.

j. Mr. V. Ranganathan

Mr. V. Ranganathan, a Chartered Accountant and Company Secretary, has expertise in advisory role on financial and taxation matters, acting as Consultant at EY for over 23 years, besides being a visiting faculty for nearly 25 years at IIM Ahmedabad on the subject of mergers and corporate restructuring. Mr. V. Ranganathan holds the position of Independent Director in few other prominent Companies including listed ones. He is the member in leading industry bodies and social service organisations such as Madras Chamber of Commerce, CII, ASSOCHAM, FICCI and a Trustee of Palkhivala Foundation, Chennai.

Matrix setting out the skills/expertise/core competencies of the Board of Directors

SEBI (LODR) Regulations, 2015 prescribes that there shall contain a 'chart or a matrix' setting out the skills/expertise/competence of the Board of Directors specifying the following:

(i) The list of core skills, expertise/competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board;

(ii) The names of Directors who have skills/expertise/competence detailed herein as part of (i) above;

In view of the above, the skills attributed to individual Directors constituting the Board are herein below:

Skill Area (Essential attributes)	Description	Skills attributed to
Strategy and planning	Ability to think strategically; identify and critically assess strategic opportunities and threats. Guide in the development of effective strategies in the context of the strategic objectives, relevant policies and priorities.	All Directors
Policy Development	Ability to help identify key issues and opportunities and develop appropriate policies to define the parameters within which the organisation should operate.	All Directors
Governance, Risk and Compliance	Experience in the application of Corporate Governance principles in a commercial enterprise.	All Directors
	Ability to help identify key risks in a wide range of areas including legal and regulatory compliance.	All Directors and especially Dr. Justice M. Jaichandren (Retd.) on matters relating to legal and regulatory compliance.
	Experience in the appointment and evaluation of a CEO and senior executive managers.	All Directors
Financial Performance	Qualifications and experience in accounting and/or finance and the ability to: • Analyse key financial statements; • Critically assess financial viability and performance; • Contribute to strategic financial planning; • Oversee budgets and the efficient use of resources; • Oversee funding arrangements and accountability	Mr. V. Ranganathan, Mrs. Radha Unni besides MD and generally all other Directors especially, the Promoter Directors.
Government Relations (policy & process)	Experience in managing government relations and industry advocacy strategies.	MD besides nominees of KSIDC.
Marketing & Communication	Knowledge of and experience in marketing services to members and public promotion campaigns. Experience in, or a thorough understanding of, communication with industry groups and/or end users through a range of relevant communication channels.	Promoter Directors (NGI, Japan), besides MD. As above

Skill Area (Essential attributes)	Description	Skills attributed to
Member and stakeholder engagement	High level reputation and established networks in the industry, consumer or business groups, and the ability to effectively engage and communicate with key stakeholders.	MD
Commercial Experience	A broad range of commercial/business experience, preferably in the small to medium enterprise context, in areas including communications, marketing, branding and business systems, practices and improvement.	MD, Promoter Directors and Independent Directors.
Legal	Qualification and experience in legal practice with emphasis on: • Specialty Chemical Industry • Pharmaceutical Industry • Employment law • Health & Safety legislation	Dr. Justice M Jaichandren (Retd.)
Geographic, Gender and cultural diversity	Geographic and cultural diversity on the Board should be reflective of the diversity in the Industry.	Complied.
	Equal gender representation should be sought for the Board to reflect gender diversity of the Indian population.	Mrs. Radha Unni
Human Resource Management	Qualification and experience in human resource management with an understanding of Industry and Employment Law	Mr. E. Nandakumar
Information Technology/Digital Skills	Exposure to IT and/or Digital Industries with an ability to guide in the application of new technology	MD/Whole Time Director

3. AUDIT COMMITTEE

The Company has a qualified and independent Audit Committee of the Board conforming to the requirements as prescribed by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. V. Ranganathan has been inducted to the Audit Committee on 27.04.2021. The Committee consists of 3 Non-Executive Independent Directors, Mr. V. Ranganathan, Mr. E Nandakumar and Mrs. Radha Unni as members. Mrs. Radha Unni continued to be the Chairperson of the Committee till 07.11.2021 and thereafter Mr. V. Ranganathan has been appointed as the Chairman of the Audit Committee. The Company had the requisite number of members on the Committee for the year 2021-22.

The terms of reference of the Audit Committee sufficiently cover the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Securities and Exchange Board of India(Listing Obligations & Disclosure Requirements) Regulations, 2015 and include overseeing of financial reporting process and development of financial information, ensuring the correctness of financial statements, reviewing with management, internal and external Auditors, the adequacy of internal control system, reviewing the Company's financial and risk management policies and reviewing the related party transactions besides Internal Financial Controls and risk management systems. Mr. G. Rajesh Kurup, Company Secretary, acts as the Secretary of the Committee, as envisaged under law.

Four Audit Committee Meetings were held during the financial year 2021-22, the dates of which are 06.05.2021, 31.07.2021, 08.11.2021 and 05.02.2022.

The attendance of members is as follows:

Name of Directors	Category	No. of Meetings attended/held
Mrs. Radha Unni	Chairperson (upto 07.11.2021)	4/4
Mr. E. Nandakumar	Member	4/4
Mr. V. Ranganathan	Chairman (from 08.11.2021)	4/4

Mrs. Radha Unni, as Chairperson of the Audit Committee, was present at the Annual General Meeting of the Company, held on 03rd August, 2021.

4. NOMINATION AND REMUNERATION COMMITTEE

As per Regulation 19(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee shall comprise of atleast three Directors, all of them shall be Non-Executive Directors and at least 50% of the Directors shall be Independent Directors. Accordingly, the Committee comprised of Mr. E. Nandakumar as Chairman, Mr. Yoichiro Sakuma and Mrs. Radha Unni as members, all three being Independent Directors. The Company had the requisite number of members in the Committee for the year 2021-22.

The terms of reference of the Committee include recommending remuneration and terms and conditions of appointment of Executive Directors and Senior Management Personnel. The role of the Committee shall include formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees and criteria for evaluation of performance of Independent Directors and the Board of Directors. During the financial year 2021-22, the Nomination and Remuneration Committee held Meetings on 28.09.2021 and 19.02.2022.

The attendance of members is as follows:

Name	No. of Meetings attended/held
Mr. E. Nandakumar	2/2
Mr. Yoichiro Sakuma	1/2
Mrs. Radha Unni	2/2

Performance Evaluation Criteria for Independent Directors

Schedule IV of the Companies Act, 2013 states that the performance evaluation of the Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.

The criteria for evaluation of performance of Independent Directors are as follows:

* Highest Personal and Professional ethics, integrity and values.
* Inquisitive and objective perspective, practical wisdom and mature judgment.
* Demonstrated intelligence, maturity, wisdom and independent judgment.
* Self- confidence to contribute to Board deliberations, and stature such that other Board members will respect his or her view.
* The willingness and commitment to devote the extensive time necessary to fulfill his/her duties.
* The ability to communicate effectively and collaborate with other Board members to contribute effectively to the diversity of perspectives that enhances Board and Committee deliberations, including a willingness to listen and respect the views of others.
* The skills, knowledge and expertise relevant to the Company's business, with extensive experience at a senior leadership level in a comparable Company or Organization, including but not limited to relevant experience in manufacturing, international operations, public service, finance, accounting, strategic planning, supply chain, technology and marketing.
* Commitment, including guidance provided to the Senior Management outside of Board/Committee Meetings.
* Effective deployment of knowledge and expertise.
* Effective management of relationship with various stakeholders.
* Independence of behaviour and judgement.
* Maintenance of confidentiality of critical issues.

5. REMUNERATION OF DIRECTORS

The Remuneration Policy is directed towards rewarding performance based on review of achievements, which is in consonance with the existing industry practices.

(a) There is no pecuniary relationship of the Non-Executive Director vis-à-vis the Company, whatsoever. The Non–Executive Directors received no remuneration other than sitting fees for attending the Board and Committee Meetings as follows:

Name	Sitting fees (₹)
Dr. K Ellangovan IAS *	75,000
Mr. M.G. Rajamanickam IAS *	25,000
Mr. Koichi Ogata	Nil
Mr. Hidenori Takemiya	Nil
Mrs. Radha Unni	3,50,000
Mr. E. Nandakumar	3,00,000
Dr. Justice M. Jaichandren (Retd)	2,00,000
Mr. Yoichiro Sakuma	2,00,000
Mr. A.P.M Mohamedhanish IAS	Nil
Mr. V. Ranganathan	2,25,000

* Being Nominee Directors, sitting fees were paid to KSIDC

(b) Since Non-Executive Directors are not eligible for any remuneration other than sitting fee for attending Meetings, there is no criteria determined for their remuneration.

(c) Details of Remuneration for the Financial Year 2021-22

Name	Salary ₹	PF ₹	Incentive ₹	Other Benefits ₹	Total ₹
Executive Directors:					
a) Managing Director: Mr. Sajiv K. Menon	5,846,280	701,556	2,431,200	92,01,058	18,180,094
b) Whole Time Director: Dr. Shinya Takahashi	16,20,000	-	-	8,23,315	24,43,315

Notice Period for the aforementioned Executive Directors is Three (3) months.

Details of performance linked incentive - Managing Director

Amount in ₹

Incentive Criteria	Achievement in %	Amount/ month	Achievement in %	Amount/ month	Achievement in %	Amount/ month	Achievement in %	Amount/ month	Achievement in %	Amount/ month
Actual Consolidated Net Profit before Tax in current period as compared to that as per Board Budget for the same period	up to 50%	1,00,000	50.01 TO 80%	1,25,000	80.01 TO 100%	1,50,000	100.01 TO 110%	2,00,000	Above 110.01%	2,50,000
Increase in Total Revenue (consolidated) in current period compared to corresponding previous year.	up to 5%	33,100	5.01 to 7.5%	41,600	7.51 to 10%	50,000	10.01 to 15%	66,500	Above 15.01%	82,750
Total		1,33,100		1,66,600		2,00,000		2,66,500		3,32,750

No Stock option was issued during the period.

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Board had set up a Stakeholders' Relationship Committee to consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends. The Committee during the year consisted of three Directors with, Dr. Justice M. Jaichandren (Retd.), Chairman, Dr. Shinya Takahashi and Mr. Sajiv K. Menon as members.

a. Name and designation of Compliance Officer: Mr. G. Rajesh Kurup, Company Secretary.

b. Number of Shareholder complaints received during the financial year 2021-2022: Nil

c. Number not solved to the satisfaction of the Shareholders: Nil

d. Number of pending complaints: Nil

e. All valid transfer requests received upto 31.03.2022 have been registered.

A Stakeholders' Relationship Committee Meeting was held during the financial year 2021-22 on 24.03.2022.

Name	No. of Meetings attended/held
Dr. Justice M. Jaichandren (Retd.), Chairman	1/1
Dr. Shinya Takahashi	1/1
Mr. Sajiv K. Menon	1/1

7. GENERAL BODY MEETINGS:

(a) Date, Time and Location of three preceding Annual General Meetings

AGM	Financial Year	Day	Date	Time	Location
45th	2021	Tuesday	03.08.2021	10.00AM	Video Conferencing (VC)
44th	2020	Tuesday	04.08.2020	10.00AM	Video Conferencing (VC)
43rd	2019	Friday	02.08.2019	12 Noon	Fine Arts Hall, Ernakulam

(b) Special resolutions have been passed at the last three Annual General Meetings as under:

Date of AGM	Nature of Special Resolution
03.08.2021	Nil
04.08.2020	1. Re-appointment of Mrs. Radha Unni (DIN- 03242769) - Independent Director 2. Re-appointment of Mr. Sajiv K. Menon (DIN: 00168228) as Managing Director of the Company 3. Payment of remuneration to the Whole Time Director, Dr. Shinya Takahashi (DIN: 07809828) in the wake of inadequacy of profit for the financial year
02.08.2019	1. Re-appointment of Dr. Shinya Takahashi (DIN: 07809828) as a Whole Time Director designated as Director (Technical) 2. Payment of remuneration to Mr. Sajiv K. Menon (DIN: 00168228) Managing Director, in the wake of inadequacy of profit for the financial year

(c) Details of Special Resolution passed through Postal Ballot during the financial year:

No Special Resolutions were passed through Postal Ballot following the procedure prescribed under Section 110 of the Companies Act, 2013 and Rules thereon during the financial year:

(d) The Company does not intend as of now to pass any special resolution through Postal Ballot during the financial year 2022-23; which if at all conducted, shall follow the procedure prescribed under Section 110 of the Companies Act, 2013 and Rules thereon.

8. MEANS OF COMMUNICATION

Quarterly results are published in prominent newspapers namely the Business Line (English) and Mangalam (Malayalam). Immediately after the approval of the Board, the financial results are submitted to BSE Limited where the shares of the Company are listed and the same is also uploaded regularly in the Company web site www.gelatin.in and BSE listing centre. Official news releases and presentations made to institutional investor/analyst, if any, shall also be in line with the above.

9. GENERAL SHAREHOLDER INFORMATION

i) Annual General Meeting, date, time & venue: Video Conferencing/Other Audio Visual Means on 04th August, 2022 at 10.00 A.M.

ii) Financial Year: 1st April 2021 to 31st March 2022.

iii) Dividend payment date: (if declared at the Annual General Meeting) latest by 07.09.2022.

iv) The Company's Equity Shares are listed on the following Stock Exchange and the annual listing fee to such Stock Exchange has been paid:

BSE Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400001

v) Stock Code: 506532 (BSE)

vi) Market price data (monthly High and Low) of the Company's Equity shares traded on BSE Ltd, in comparison to BSE Sensex during the period April, 2021 to March, 2022 is given below.

Year	Month	Market price of Company shares		BSE Sensex	
		High	Low	High	Low
2021	April	179.00	156.00	50,375.77	47,204.50
	May	206.00	174.05	52,013.22	48,028.07
	June	204.00	182.00	53,126.73	51,450.58
	July	304.00	197.50	53,290.81	51,802.73
	August	338.00	226.60	57,625.26	52,804.08
	September	258.00	231.10	60,412.32	57,263.90
	October	250.00	204.45	62,245.43	58,551.14
	November	247.90	205.00	61,036.56	56,382.93
	December	244.75	200.00	59,203.37	55,132.68
2022	January	271.50	230.05	61,475.15	56,409.63
	February	321.00	249.60	59,618.51	54,383.20
	March	294.50	260.00	58,890.92	52,260.82

vii) The securities of the Company are not suspended from trading during the year.

viii) Registrars and Share Transfer Agents:
With effect from 1st April 2003, the Company has appointed Cameo Corporate Services Limited, 'Subramanian Building', 1, Club House Road, Chennai-600 002 as Registrars & Share Transfer Agents to deal with both physical and electronic Share Registry.

ix) Share transfer system
The Share Transfer Committee considers transfers/ transmission of shares issued by the Company, issue of duplicate certificates and certificates after split/ consolidation/renewal. The Share Transfer Committee comprised of Mrs. Radha Unni as Chairperson and Mr. Sajiv K. Menon, Managing Director as members. During the year, the Committee held one Meeting.

Distribution of Shareholding and Shareholder's Profile:

a) Distribution of Shareholding as at 31st March, 2022

No of Equity Shares held	No. of Shareholders	% of Shareholders	Shareholding				
			Physical (In ₹)	NSDL (In ₹)	CDSL (In ₹)	Total (In ₹)	% of Shareholding
1-1000	3943	59.78	221470	602250	601100	1424820	1.57
1001-5000	1957	29.67	747520	2359850	1418770	4526140	4.99
5001-10000	370	5.61	195940	1576500	1008920	2781360	3.06
10001 and above	326	4.94	193640	75449560	6416080	82059280	90.38
Total	6596	100	1358570	79988160	9444870	90791600	100

b) Shareholders Profile as on 31st March, 2022

Category	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Resident	6328	95.94	2042740	22.49
Financial Institutions	1	0.02	6066	0.07
NRIs	74	1.12	41349	0.46
Corporate Bodies	72	1.09	6895935	75.95
Clearing Member	13	0.19	1675	0.02
Mutual Funds	6	0.09	4239	0.05
Banks	2	0.03	166	0.00
IEPF	1	0.02	37409	0.41
Employees	99	1.50	49581	0.55
Total	6596	100	9079160	100

xii) Dematerialisation of Shares
As at 31st March, 2022, there are 89,43,303 shares, representing 98.50 % of Equity Paid-up Share Capital in dematerialised form. This includes 7998816 shares (88.10%) in NSDL and 944487 shares (10.40%) in CDSL. No shares were re-materialised during the year.

xiii) Outstanding GDRs/ADRs Warrants or any Convertible instruments, conversion date and likely impact on Equity (as on 31.3.2022) - Nil

xiv) The Company broadly follows a Policy of hedging for foreign currency receivables of about 60% of the exchange receivables. The appropriate hedging rates are based on Company's budgeted rates, market factors and related developments.

xv) Plant Locations
The Company's Plants are located at:
1. Kathikudam P.O., Via. Koratty,
   Thrissur District, PIN - 680 308.
2. Kinfra Export Promotion Industrial Parks Ltd.,
   PB. No.3109, Kusumagiri P.O.,
   Ernakulam District, PIN - 682 030.
3. District Industrial Estate, Aroor,
   Cherthala Taluk, Alappuzha.
4. 832, GIDC Jhagadia, Jhagadia,
   Bharuch, Gujarat - 393110

xvi) Address for investor correspondence:
1. CAMEO Corporate Services Ltd,
   'Subramanian Building',
   1, Club House Road, Chennai - 600 002
   Tel: 044-28460390
   Fax: 044-28460129
   Email:cameo@cameoindia.com
2. Nitta Gelatin India Limited,
   PB No. 56/715, SBT Avenue
   Panampilly Nagar, Kochi - 682 036, Kerala
   Tel: 0484-2317805
   Fax: 0484-2310568
   Email: investorcell@nittagelindia.com

xvii) List of all credit ratings obtained by the entity along with any revisions thereto during the financial year, for all debt instruments of the Company or any fixed deposits programme or any scheme or proposal of the Company involving mobilization of funds whether in India or abroad. Nil

10. OTHER DISCLOSURES

(a) There have been no materially significant related party transactions with the Company's Promoters, Directors, the Management, their Subsidiaries which have/may have potential conflict with the interests of the Company at large. The necessary disclosures regarding the transactions with Related Parties are given in the Notes to the Accounts (See Note No. 3.29 of Standalone Financial Statement). The Company has taken omnibus approval of the Audit Committee for Related Party Transactions. The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. The web link where policy on dealing with Related Party Transactions is disclosed is:
https://gelatin.in/uploads/homecontent/Related%20Party%20Transactions%20Policy%20modified%206_20220511051434.pdf

(b) There were no instances of non-compliance by the Company leading to imposition of penalties, strictures by the Stock Exchange or SEBI or any other statutory authority, on matters related to capital markets during the last three years.

(c) No personnel of the Company has been denied access to the Audit Committee of the Company (in respect of matters involving alleged misconduct). The Company has provided protection to 'whistle blowers' from unfair termination and other unfair or prejudicial employment practices. The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls risk through means of a properly defined framework. The Company has adopted measures for airing concerns about unethical behavior, both for the Directors and employees. This has been made part of the machinery of Audit Committee and informed in the official website of the Company. A mention of the same is also made in the report of the Directors. Pursuant to proviso to Section 177 (10) of the Companies Act, 2013 a 'Vigil Mechanism' has been constituted as a part of the function of Audit Committee of Board. The Vigil Mechanism provides for adequate safeguards against victimization of Directors or employees or any other person who avail the mechanism and also provides for direct access to the Chairperson of the Audit Committee in appropriate cases. The Committee oversees the Vigil Mechanism for Directors and Employees to report concerns about unethical behaviour, actual or suspected fraud or violation of Company's Code of Conduct or Ethics Policy.

(d) All mandatory requirements have been complied with while non-mandatory requirements complied have been reported in Para 12 herein below.

(e) The Company has formulated a material subsidiary policy which has been disclosed in the Company website. Besides, mention is also made in the Board's Report. The web link where policy for determining 'Material' Subsidiaries is as follows:
http://gelatin.in/uploads/homecontent/Material%20 Subsidiary%20Policy_20200904010937.pdf

(f)The web link where policy on dealing with related party transactions is disclosed as http://gelatin.in/uploads/homecontent/RPT_20160725111744.pdf

(g) The Company does not deal in commodity hedging activities and is therefore free from any risk arising there from.

(h) The Company has not raised any funds through preferential allotment or qualified institutional placement as per Regulation 32(7A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year.

(i) Certificate from Practising Company Secretary stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any statutory authority is separately enclosed.

(j) There are no pending recommendations from any Committee of the Board which necessitates the approval of the Board during the financial year.

(k) Total fee paid by the Company and its Subsidiary to the Statutory Auditor on a consolidated basis:
Total fee ₹ 22,70,000.

(l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act,2013;

a. Number of complaints filed during the financial year - Nil
b. Number of complaints disposed of during the financial year - Nil
c. Number of complaints pending as on end of the financial year - Nil

(m) Loans and advances in the nature of loans to firms/ Companies in which Directors are interested - Nil.

11. The requirements of Sub paras (2) to (10) of the Corporate Governance Report as above have been complied with during the financial year ended 31.03.2022.

12. The Company has adopted discretionary requirements as per Part E of Schedule II, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as follows:

a) The Company has appointed separate persons to the post of Chairperson and Managing Director.
b) The Internal Auditors report directly to the Audit Committee of the Board.

13. The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Sub Regulation (2) of Regulation (46) during the financial year ended 31.03.2022.

14. Designated e-mail id for investor complaints/ grievance redressal: investorcell@nittagelindia.com

15. Disclosures with respect to Demat Suspense Account/Unclaimed Suspense Account

(a) Aggregate number of Shareholders and the outstanding shares in the Suspense Account lying at the beginning of the year: Nil
(b) number of Shareholders who approached listed entity for transfer of shares from Suspense Account during the year; Nil
(c) number of Shareholders to whom shares were transferred from Suspense Account during the year; Nil
(d) aggregate number of Shareholders and the outstanding shares in the Suspense Account lying

at the end of the year; Nil

(e) that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

Note:

(1) Shareholders holding shares in electronic mode should address all correspondence to their respective Depository Participant.

CEO/CFO Certificate
(Regulation 17(8) of SEBI LODR Regulations, 2015)

We, Philip Chacko M, Managing Director and P. Sahasranaman, Chief Financial Officer of the Company, to the best of our knowledge and belief hereby certify that:

A. We have reviewed financial statements and the Cash Flow Statement for the financial year ended 31st March, 2022 and that to the best of our knowledge and belief:

(1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable Laws and Regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and Audit Committee:

(1) significant changes in internal control over financial reporting during the year;

(2) significant changes in Accounting Policies during the year and that the same have been disclosed in the notes to the financial statements; and

(3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-

PHILIP CHACKO M
MANAGING DIRECTOR
DIN: 01219764

Sd/-

P. SAHASRANAMAN
CHIEF FINANCIAL OFFICER

Date: 06.05.2022
Place: Kochi

DECLARATION OF COMPLIANCE OF CODE OF BUSINESS CONDUCT AND ETHICS

(Under Schedule V(D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015)

As per the affirmations received from the Directors and Senior Executives of the Company, the Directors and Senior Executives have complied with the provisions of the Code of Business Conduct and Ethics applicable to Directors and Senior Executives of the Company for the financial year ended 31st March, 2022.

Date: 06.05.2022
Place: Kochi

Sd/-
Philip Chacko M
Managing Director
DIN: 01219764

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members
Nitta Gelatin India Limited
CIN: L24299KL1975PLC002691
56/715, SBT Avenue, Panampilly Nagar,
Ernakulam, Kochi - 682 036.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Nitta Gelatin India Limited having CIN: L24299KL1975PLC002691 and having Registered Office at 56/715, SBT Avenue, Panampilly Nagar, Ernakulam, Kochi-682036 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authorities.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. A.P.M Mohamedhanish IAS	02504842	15/02/2022
2	Mr. M.G. Rajamanickam IAS	06847977	19/10/2020
3	Mr. Koichi Ogata	07811482	09/05/2017
4	Mrs. Radha Unni	03242769	11/07/2014
5	Mr. E. Nandakumar	01802428	29/10/2018
6	Dr. Justice M. Jaichandren (Retd)	08584025	04/11/2019
7	Mr. V. Ranganathan	00550121	27/04/2021
8	Mr. Yoichiro Sakuma	08237722	29/10/2018
9	Mr. Sajiv K. Menon	00168228	20/12/2013
10	Dr. Shinya Takahashi	07809828	09/05/2017

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

UDIN: F010876C000157319
C.P. No.: 14524
Unique Code No. I2015KE2046800
PR No. 728/2020

Sd/-
Abhilash Nediyalil Abraham
B.B.A, LL.B, F.C.S
Practising Company Secretary
M.No. F10876, C.P. No.14524
Bldg No. 46/2504-b, Haritha Road,
Vennala, Kochi-682028

Place: Kochi
Date: 20.04.2022

CERTIFICATE

The Members
Nitta Gelatin India Limited
Kochi – 36

I have examined relevant records of Nitta Gelatin India Limited ('the Company') for the purpose of certifying compliance of conditions of Corporate Governance as per Regulations 17 to 27 and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation, 2015 ("Listing Regulation") for the financial year ended 31st March, 2022. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Company management. My examination was limited to procedures and implementation thereof. This Certificate is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company. It is neither an audit nor an expression of opinion on the financial statement of the Company.

On the basis of my examination of the records produced, explanation and information furnished, I certify that the Company has complied with conditions of Corporate Governance as per Regulation 17 to 27 and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 and Para C,D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation, 2015 ("Listing Regulation") for the financial year ended 31st March, 2022.

UDIN: F010876C000157319
C.P. No.: 14524
Unique Code No. I2015KE2046800
PR No. 728/2020

Sd/-
Abhilash Nediyalil Abraham
B.B.A, LL.B, F.C.S
Practising Company Secretary
M.No. F10876, C.P. No.14524
Bldg No. 46/2504-b, Haritha Road,
Vennala, Kochi - 682028

Place: Kochi
Date: 20.04.2022

Independent Auditor's Report

To the Members of Nitta Gelatin India Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Nitta Gelatin India Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matter
(a) Provisions and contingent liabilities relating to litigations (Refer note 3.31 of the accompanying standalone financial statements): Following are the significant matters relating to litigations that are outstanding as at 31 March 2022: i. Customs duty: INR 1,968.36 Lakhs ii. Other tax matters: INR 1,226.07 Lakhs The eventual outcome of these legal proceedings is dependent on the outcome of future events and unexpected adverse outcomes could significantly impact the Company's reported profits and balance sheet position. The amounts involved are material and the application of accounting principles as given under Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets, in order to determine the amount to be recorded as a liability or to be disclosed as a contingent liability, in each case, is inherently subjective, and needs careful evaluation and judgement to be applied by the management.	Our audit work included, but was not limited to the following procedures: • Obtained an understanding of the management process for: - identification of legal and tax matters initiated against the Company, - assessment of accounting treatment for each such litigation identified under Ind AS 37 accounting principles, and - measurement of amounts involved. • Evaluated the design and tested the operating effectiveness of key controls around above process. • Obtained an understanding of the nature of litigations pending against the Company and discussed the key developments during the year for key litigations with the management and respective legal counsels handling such cases on behalf of the Company. Tested the independence, objectivity and competence of such management experts involved. • On a sample basis, obtained and reviewed the

Key audit matters	How our audit addressed the key audit matter
Key judgments are also made by the management in estimating the amount of liabilities, provisions and/or contingent liabilities related to aforementioned litigations. Considering the degree of judgment, significance of the amounts involved, inherent high estimation uncertainty and reliance on external legal and tax experts, this matter has been identified as a key audit matter for the current year audit.	necessary evidence which includes correspondence with the external legal counsels and where necessary, inspected minutes of case proceedings available in public domain, to support the decisions and rationale for creation of provisions and/or disclosure of contingent liabilities in respect of each such litigation selected for testing. • Obtained independent opinion/confirmations directly from the external legal counsels to confirm management's assessment of outstanding litigation and asserted claims. • Reviewed each attorney response obtained as above to ensure that the conclusions reached are supported by sufficient legal rationale and adequate information is included for the management to determine the appropriate accounting treatment of such cases in the financial statements. • Assessed the appropriateness of methods used, and the reliability of underlying data for the underlying calculations made for quantifying the amounts involved. Tested the arithmetical accuracy of such calculations. • Involved our tax specialists to assess the Company's interpretation and application of relevant tax laws to evaluate the appropriateness of key assumptions used and the reasonableness of estimates in relation to uncertain tax positions, taking into account past precedents. • Evaluated the disclosures made under provisions and contingent liability for their appropriateness in accordance with the applicable accounting standards.
(b) Impairment assessment of the carrying value of Property, Plant and Equipment (Refer note 3.01 of the accompanying standalone financial statements) As at 31 March 2022, the Company is carrying Property, Plant and Equipment ('PPE') aggregating to INR 10,179.95 lakhs in its financial statements. These balances are subject to a test of impairment by the management where impairment indicators exist. As mentioned in note 3.01(f) to the standalone financial statements, as per impairment testing of the carrying value of PPE carried out by the management as at 31 March 2022, in the manner prescribed under Ind AS 36 – Impairment of Assets, an additional impairment loss of INR 22.00 lakhs is recognized in the current year for one of the product line identified as a CGU. Fair value and value-in-use of such PPE for the determination of the recoverable amounts involves significant judgement and high estimation uncertainty relating to identification of appropriate cash-generating unit, identification of group of assets, reasonable and	Our audit work included, but was not restricted to, the following procedures: • Obtained an understanding of the management process and performed a walkthrough to evaluate design effectiveness and tested operating effectiveness of key controls around identification of impairment indicators, impairment testing of property plant and equipment which include identification of cash generating units at which level such impairment testing is required to be performed. • Obtained the business plans of the Company for the identified cash-generating unit, to corroborate the future cash flows used in value-in-use determination. • Obtained the impairment analysis carried out by the management and report from valuation specialist engaged by the Management. Tested the assumptions used for determination of value-in-use of the cash generating unit and obtained adequate supporting documents with respect to the impairment loss recognised in the current year.

Key audit matters	How our audit addressed the key audit matter
consistent allocation of corporate assets, future cash flow projections made by the management using internal and external assumptions and using appropriate discount rate. As a result of such judgements and significance of the amounts involved, the matter has been identified as a key audit matter in the current year audit.	• Performed sensitivity analysis in respect of the key assumptions used, including revenue growth rates, cost reduction targets and discount rate to verify appropriateness of such assumptions. • Compared the actual results of estimates made in prior period to assess accuracy of management's estimates. • Assessed appropriateness of the disclosures made by the management for impairment assessment of carrying value of PPE.

Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

   Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements.

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

   Auditor's Responsibilities for the Audit of the Standalone Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
16. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
17. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
    b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
    c) The standalone financial statements dealt with by this report are in agreement with the books of account;
    d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
    e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act;
    f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2022 and the operating effectiveness of such controls, refer to our separate Report in Annexure II wherein we have expressed an unmodified opinion; and
    g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014

(as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. the Company, as detailed in note 3.31 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2022;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022;

iv

a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 3.45.1 (c) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 3.45.1 (c) to the standalone financial statements, no funds have been received by the Company from any person or entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The final dividend paid by the Company during the year ended 31 March 2022 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 3.11(f) to the accompanying standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 March 2022 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Krishnakumar Ananthasivan
Partner
Membership No.: 206229
UDIN: 22206229AINBIZ7950

Place: Kochi
Date: 6 May 2022

Annexure I referred to in Paragraph 17 of the Independent Auditor's Report of even date to the members of Nitta Gelatin India Limited on the standalone financial statements for the year ended 31 March 2022

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i)

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and right of use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The property, plant and equipment and right of use assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification program adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company. However, for title deeds of immovable properties in the nature of land situated at Koratty, Thrissur with gross carrying values of ₹ 188.38 lakhs as at 31 March 2022, which have been pledged as security for loans taken by the Company, confirmations with respect to title of the Company have been directly obtained by us from the respective lenders.

(d) The Company has not revalued its Property, Plant and Equipment and Right of Use assets or intangible assets during the year.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.

(ii)

(a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.

(b) The Company has a working capital limit in excess of Rs 5 crore sanctioned by Banks based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and such statements are in agreement with the books of account of the Company for the respective periods, which were subject to

(iii)

(a) The Company has provided loans to four other parties. The details of the same are given below:

Particulars	Loans (₹ in Lakhs)
Aggregate amount during the year - Others (employees)	1.99
Balance outstanding as at balance sheet date - Others (employees)	6.69

(b) The Company has not made any investment, provided any guarantee or given any security during the year. The terms and conditions of the grant of all loans and advances in the nature of loans are not, prima facie, prejudicial to the Company's interest.

(c) In respect of loans and advances in the nature of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular.

(d) There is no overdue amount in respect of loans or advances in the nature of loans granted to such companies, firms, LLPs or other parties.

(e) The Company has not granted any loan or advance in the nature of loan which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans/advances in nature of loan.

(f) The Company has not granted any loan or advance in the nature of loan, which is repayable on demand or without specifying any terms or period of repayment.

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans, investments, guarantees and security, as applicable.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act only in respect of specified products of the Company. For such products, we have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under the aforesaid section, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii)

(a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases.

Annexure I referred to in Paragraph 17 of the Independent Auditor's Report of even date to the members of Nitta Gelatin India Limited on the standalone financial statements for the year ended 31 March 2022

Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross Amount (₹ in Lakhs)	Amount paid under Protest (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income-tax Act, 1961	Income tax	178.84	95.74	AY 2009-10 to 2018-19	Commissioner of Income Tax (Appeals)	
Kerala Value Added Tax Act, 2003	Value Added Tax	711.04	-	FY 2011-12	Deputy Commissioner (Appeals), Sales Tax, Kochi	
Kerala Value Added Tax Act, 2003	Value Added Tax	12.37	12.37	FY 2009-10	Deputy commissioner, Sales Tax, Kochi	
Kerala Value Added Tax Act, 2003	Value Added Tax	48.56	14.31	FY 2010-11	Deputy Commissioner, Sales Tax, Kochi	
Gujarat Value Added Tax Act, 2003	Value Added Tax	10.18	-	FY 2016-17 and 2017-18	Assistant Commissioner, Sales Tax Gujarat	
Central Sales Tax Act, 1956	Central Sales Tax	70.67	15.23	FY 2010-11, 2011-12 and 2014-15	Deputy Commissioner of Sales Tax (Appeals)	
Customs Act, 1962	Custom duty	1,968.36	65.78	FY 2011-12 to 2016-17	Customs, Excise and Service Tax Appellate Tribunal, Bangalore	
Central Excise Act, 1944	Central excise	350.75	-	FY 2003-04 to 2014-15	Customs, Excise and Service Tax Appellate Tribunal, Bangalore	
Central Excise Act, 1944	Central excise	7.21	0.36	FY 2010-11 to 2012-13	Customs, Excise and Service Tax Appellate Tribunal, Bangalore	
Finance Act, 1994	Service tax	35.50	1.39	FY 2010-11 to 2012-13	Commissioner (Appeals)	
Finance Act, 1994	Service tax	3.67	0.18	FY 2011-12	Commissioner (Appeals)	
Finance Act, 1994	Interest on service tax demands	39.05	-	FY 2010-11 to 2012-13	Commissioner (Appeals)	

Annexure I referred to in Paragraph 17 of the Independent Auditor's Report of even date to the members of Nitta Gelatin India Limited on the standalone financial statements for the year ended 31 March 2022

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.

(ix)

(a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us, including confirmations received from banks, representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.

(c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.

(d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilized for long term purposes.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.

(f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiary.

(x)

(a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi)

(a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.

(b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

(xiv)

(a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business, except in Reva division of the Company, where the scope and coverage of internal audit system needs to be enhanced considering the size and nature of the division.

(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.

Annexure I referred to in Paragraph 17 of the Independent Auditor's Report of even date to the members of Nitta Gelatin India Limited on the standalone financial statements for the year ended 31 March 2022

(xvi)

(a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi) of the Order is not applicable to the Company.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities during the year without a valid Certificate of Registration (CoR) from the RBI as per the Reserve Bank of India Act, 1934.

(c) According to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the RBI. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

(xvii) The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) According to the information and explanations given to us, the Company does not have any unspent amount in respect of any ongoing or other than ongoing project as at the expiry of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Krishnakumar Ananthasivan
Partner
Membership No.: 206229
UDIN: 22206229AINBIZ7950

Place: Kochi
Date: 6 May 2022

Annexure II to the Independent Auditor's Report of even date to the members of Nitta Gelatin India Limited on the standalone financial statements for the year ended 31 March 2022

Annexure II

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Nitta Gelatin India Limited ('the Company') as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Krishnakumar Ananthasivan
Partner
Membership No.: 206229
UDIN: 22206229AINBIZ7950

Place: Kochi
Date: 6 May 2022

Nitta Gelatin India Limited

Standalone Balance Sheet as at 31 March 2022

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current Assets			
(a) Property, plant and equipment	3.01	10,179.95	10,778.59
(b) Capital work-in-progress	3.01	711.00	179.67
(c) Other intangible assets	3.02	52.69	22.82
(d) Financial assets			
(i) Investments	3.03	449.68	444.20
(ii) Loans	3.04	3.80	4.62
(iii) Other financial assets	3.05	387.55	391.72
(e) Income tax assets		1,156.11	1,520.03
(f) Other non-current assets	3.06	902.50	625.66
		13,843.28	**13,967.31**
Current Assets			
(a) Inventories	3.07	9,201.53	8,295.36
(b) Financial assets			
(i) Trade receivables	3.08	7,580.15	5,527.08
(ii) Cash and cash equivalents	3.09	14.70	69.99
(iii) Bank balances other than cash and cash equivalents	3.10	80.41	166.07
(iv) Loans	3.04	2.89	3.61
(v) Other financial assets	3.05	119.45	265.42
(c) Other current assets	3.06	730.87	361.76
		17,730.00	**14,689.29**
Total Assets		**31,573.28**	**28,656.60**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	3.11	907.92	907.92
(b) Other equity	3.12	17,563.76	15,402.36
		18,471.68	**16,310.28**
LIABILITIES			
Non-current Liabilities			
(a) Financial liabilities			
(i) Borrowings	3.13	675.86	2,309.39
(b) Provisions	3.17	329.24	261.37
(c) Deferred tax liabilities (net)	3.14	528.95	155.09
		1,534.05	**2,725.85**
Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	3.13	7,289.58	5,163.18
(ii) Trade payables			
a) Total outstanding dues of micro and small enterprises	3.15	230.26	400.10
b) Total outstanding dues of creditors other than micro and small enterprises	3.15	1,657.43	1,989.90
(iii) Other financial liabilities	3.16	427.58	360.48
(b) Other current liabilities	3.18	768.16	852.92
(c) Provisions	3.17	413.33	365.65
(d) Current tax liabilities (net)		781.21	488.24
		11,567.55	**9,620.47**
Total Equity and Liabilities		**31,573.28**	**28,656.60**

See accompanying notes forming part of these standalone financial statements.

This is the Standalone Balance Sheet referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

Krishnakumar Ananthasivan
Partner
Membership No.: 206229

Place: Kochi
Date: 6 May 2022

For and on behalf of the Board of Directors of
Nitta Gelatin India Limited

Philip Chacko M
Managing Director
DIN : 01219764

E. Nandakumar
Director
DIN : 01802428

Sahasranaman P.
Chief Financial Officer

G. Rajesh Kurup
Company Secretary

Nitta Gelatin India Limited

Standalone Statement of Profit and Loss for the year ended 31 March 2022

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Note	Year ended 31 March 2022	Year ended 31 March 2021
INCOME			
Revenue from operations	3.19	42,851.78	35,429.65
Other income	3.20	580.08	462.02
Total income		**43,431.86**	**35,891.67**
EXPENSES			
Cost of materials consumed	3.21	22,796.89	18,696.37
Changes in inventories of finished goods and work-in-progress	3.22	(58.68)	118.28
Employee benefits expense	3.23	4,183.81	3,581.00
Finance costs	3.24	465.42	494.19
Depreciation and amortisation expenses	3.25	1,359.45	1,480.94
Other expenses	3.26	10,923.91	9,087.24
Total expenses		**39,670.80**	**33,458.02**
Profit before tax		**3,761.06**	**2,433.65**
Tax expense			
Current tax		1,124.00	453.00
Minimum alternate tax credit entitlement		-	(203.00)
Deferred tax (credit)/charge	3.36	(22.64)	393.21
Profit for the year		**2,659.70**	**1,790.44**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
a) Re-measurement losses in defined benefit plans		(181.52)	(134.98)
Income tax relating to item that will not be reclassified to profit or loss		52.86	39.31
		(128.66)	**(95.67)**
b) Measurement of financial assets through other comprehensive income		5.48	7.03
Income tax relating to item that will not be reclassified to profit or loss		(1.14)	(1.46)
		4.34	**5.57**
Net of items that will not be reclassified subsequently to profit or loss:		**(124.32)**	**(90.10)**
Items that will be reclassified subsequently to profit or loss:			
a) Gain/(loss) recognised on cash flow hedges		(143.36)	733.08
Income tax relating to items that will be reclassified to profit or loss		41.75	(213.47)
Net of items that will be reclassified subsequently to profit or loss:		**(101.61)**	**519.61**
Total other comprehensive income/(loss), net of tax		**(225.93)**	**429.51**
Total comprehensive income for the year		**2,433.77**	**2,219.95**
Earnings per equity share (₹ per share)	3.27		
Basic		29.29	19.72
Diluted		29.29	19.72

See accompanying notes forming part of these standalone financial statements.

This is the Standalone Statement of Profit and Loss referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

Krishnakumar Ananthasivan
Partner
Membership No.: 206229

Place: Kochi
Date: 6 May 2022

For and on behalf of the Board of Directors of
Nitta Gelatin India Limited

Philip Chacko M
Managing Director
DIN : 01219764

E. Nandakumar
Director
DIN : 01802428

Sahasranaman P.
Chief Financial Officer

G. Rajesh Kurup
Company Secretary

Nitta Gelatin India Limited

Standalone Cash Flow Statement for the year ended 31 March 2022

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
A. Cash flows from operating activities		
Profit before tax	3,761.06	2,433.65
Adjustments for:		
Depreciation and amortisation expense	1,359.45	1,480.94
(Gain)/loss on disposal of property, plant and equipment (net)	(0.45)	45.20
Provision for impairment on plant and equipment	22.00	200.00
Finance costs	465.42	494.19
Interest income	(15.63)	(34.44)
Dividend income from non-current investments	(175.17)	(332.80)
Liabilities no longer required written back	(12.47)	-
Reversal of allowances for expected credit loss on trade receivables	-	(12.00)
Unrealised foreign exchange loss/(gain) (net)	4.94	(5.53)
Operating profit before working capital changes	**5,409.15**	**4,269.21**
Adjustments for working capital changes:		
Increase in trade receivables, other financial assets and other current assets	(2,621.56)	(1,835.37)
(Increase)/decrease in inventories	(906.17)	33.48
Decrease in trade payables, other financial liabilities and other current liabilities	(506.08)	(510.29)
(Decrease)/increase in provisions	(65.97)	10.88
Cash generated from operations	**1,309.37**	**1,967.91**
Income taxes refund/(paid) (net)	22.89	(454.69)
Net cash generated from operating activities	**1,332.26**	**1,513.22**
B. Cash flows from investing activities		
Payments for purchase of property, plant and equipment and capital work-in-progress	(1,426.96)	(709.30)
Proceeds from disposal of property, plant and equipment	2.20	1.15
Decrease/(increase) in other bank balances with maturity more than three months	85.66	(4.74)
Interest received	14.52	35.94
Dividend received	175.17	332.80
Net cash used in investing activities	**(1,149.41)**	**(344.15)**
C. Cash flows from financing activities		
Proceeds from non-current borrowings	341.20	-
Repayment of non-current borrowings	(623.91)	(769.80)
Proceeds from current borrowings (net)	641.02	242.18
Dividend paid	(270.30)	(227.59)
Interest paid	(326.15)	(441.83)
Net cash used in financing activities	**(238.14)**	**(1,197.04)**
Net decrease in cash and cash equivalents	**(55.29)**	**(27.97)**
Cash and cash equivalents at beginning of the year	**69.99**	**97.96**
Cash and cash equivalents at the end of the year	**14.70**	**69.99**
	(55.29)	**(27.97)**
Components of cash and cash equivalents (Refer Note 3.09)		
a) Cash on hand	2.20	2.11
b) Balance with banks:		
- in current accounts	12.50	27.72
- in deposit accounts with a maturity of less than three months	-	40.16
	14.70	**69.99**

Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities

Particulars	As at March 31 2020	Cash flows	Non cash changes	As at March 31 2021
Non-current borrowings (including current maturities)	3,597.42	(769.80)	67.77	2,895.39
Current borrowings	4,317.00	242.18	18.00	4,577.18

Nitta Gelatin India Limited

Standalone Cash Flow Statement for the year ended 31 March 2022

(All amounts are in ₹ Lakhs, unless otherwise stated)

Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities

Particulars	As at March 31 2021	Cash flows	Non cash changes	As at March 31 2022
Non-current borrowings (including current maturities)	2,895.39	(282.71)	138.47	2,751.15
Current borrowings	4,577.18	641.02	(3.91)	5,214.29

The above Standalone Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow.

See accompanying notes forming part of these standalone financial statements.

This is the Standalone Cash Flow Statement referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

Krishnakumar Ananthasivan
Partner
Membership No.: 206229

Place: Kochi
Date: 6 May 2022

For and on behalf of the Board of Directors of
Nitta Gelatin India Limited

Philip Chacko M
Managing Director
DIN : 01219764

E. Nandakumar
Director
DIN : 01802428

Sahasranaman P.
Chief Financial Officer

G. Rajesh Kurup
Company Secretary

Nitta Gelatin India Limited
Standalone Statement of Changes in Equity for the year ended 31 March 2022

(All amounts are in ₹ Lakhs, unless otherwise stated)

A. Equity share capital

	Balance as at 1 April 2021	Changes in equity share capital during the year	Balance as at 31 March 2022
1) For the period from 1 April 2021 to 31 March 2022	907.92	-	907.92

	Balance as at 1 April 2020	Changes in equity share capital during the year	Balance as at 31 March 2021
2) For the period from 1 April 2020 to 31 March 2021	907.92	-	907.92

As at	Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
31 March 22	907.92	-	907.92	-	907.92
31 March 21	907.92	-	907.92	-	907.92

B. Other equity

	Equity component of compound financial instruments	Reserves and Surplus					Items of other comprehensive income			Total
		Securities premium reserve	Retained earnings	Special Export Reserve	Capital Reserve on merger	General Reserve	Effective portion of cash flow hedges	Equity instruments through other comprehensive income	Other items of other comprehensive income/(loss)	
Balance as at 1 April 2021	**984.43**	**2,895.90**	**908.67**	**79.00**	**2,750.62**	**7,836.64**	**111.05**	**10.94**	**-174.89**	**15,402.36**
Profit for the year	-	-	2,659.70	-	-	-	-	-	-	**2,659.70**
Other comprehensive income	-	-	-	-	-	-	(101.61)	4.34	(128.66)	**(225.93)**
Dividend paid during the year	-	-	(272.37)	-	-	-	-	-	-	**(272.37)**
Balance as at 31 March 2022	**984.43**	**2,895.90**	**3,296.00**	**79.00**	**2,750.62**	**7,836.64**	**9.44**	**15.28**	**(303.55)**	**17,563.76**
Balance as at 1 April 2020	**984.43**	**2,895.90**	**(654.79)**	**79.00**	**2,750.62**	**7,836.64**	**(408.56)**	**5.37**	**-79.22**	**13,409.39**
Profit for the year	-	-	1,790.44	-	-	-	-	-	-	**1,790.44**
Other comprehensive income	-	-	-	-	-	-	519.61	5.57	(95.67)	**429.51**
Dividend paid during the year	-	-	(226.98)	-	-	-	-	-	-	**(226.98)**
Balance as at 31 March 2021	**984.43**	**2,895.90**	**908.67**	**79.00**	**2,750.62**	**7,836.64**	**111.05**	**10.94**	**(174.89)**	**15,402.36**

See accompanying notes forming part of these standalone financial statements.

This is the Standalone Statement of Changes in Equity referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

For and on behalf of the Board of Directors of Nitta Gelatin India Limited

Krishnakumar Ananthasivan
Partner
Membership No.: 206229

Philip Chacko M
Managing Director
DIN : 01219764

E. Nandakumar
Director
DIN : 01802428

Place: Kochi
Date: 6 May 2022

Sahasranaman P.
Chief Financial Officer

G. Rajesh Kurup
Company Secretary

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts are in ₹ Lakhs, unless otherwise stated)

1. General Information:

Nitta Gelatin India Limited ('the Company'/'NGIL'), a public limited company, operates in the business of manufacture and sale of ossein, gelatin and collagen peptide. The Company's shares are listed for trading on BSE Limited in India. The address of the Registered office of the Company is 56/715, SBT Avenue, PB No. 4262, Panampilly Nagar, Kochi, Kerala, PIN - 682036.

These financial statements are authorised by the Board of Directors for issue in accordance with their resolution dated 6 May 2022.

2. Summary of significant accounting policies

a) Basis of accounting and preparation

These Financial Statements are the separate Financial Statements of the Company (also called Standalone Financial Statements), prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and the presentation and disclosures requirement of Division II of Schedule III to the Act (Ind AS compliant Schedule III), as applicable and the guidelines issued by the Securities and Exchange Board of India.

The Financial Statements have been prepared under the historical cost convention, on the accrual basis of accounting, except for certain financial assets and financial liabilities (including derivative instruments) that are measured at fair values at the end of each reporting period as explained in the accounting policies below.

The Financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest lakhs, except when otherwise indicated.

The accounting policies have been applied consistently over all the periods presented in this financial statements except where newly issued accounting standard is initially adopted.

Previous year figures have been re-grouped reclassified where necessary, to confirm with the current year presentation for the purpose of comparability.

b) Use of estimates

The preparation of the Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The Company bases its estimates and assumptions on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the amounts recognized in the Financial Statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i. Classification of leases

The Company enters into leasing arrangements for some assets. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the land and office premises and the fair value of the asset, that it does not retain significant risks and rewards of ownership of the land and the office premises and accounts for the contracts as operating leases. Further, refer note no. 3.35, for effect of transition to Ind AS 116 and other disclosures relating to leases.

ii. Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

iii. Evaluation of indicators for impairment of assets

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets. In assessing impairment, management

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

b) Use of estimates *(cont'd)*

estimates the recoverable amount of each asset or cash generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

iv. Recoverability of advances/receivables

At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

v. Useful lives of depreciable/amortisable assets

Management reviews its estimate of the useful lives of depreciable / amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain items of property, plant and equipment.

vi. Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

vii. Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

viii. Uncertainties relating to the global health pandemic from COVID-19

The market for Gelatin, Collagen peptide and DCP continues to be robust. Due to COVID-19 restrictions, availability of one of the major raw materials, Crushed Bone, for the gelatin industry continues to be lower than demand whereby the price remains at a very high level and with little attention to quality by many of the suppliers. Due to this, the gross profit margin is lower as compared to the pre-COVID-19 times. In the opinion of the management, this mismatch between demand and supply is likely to ease in future though quality issues are likely to continue for some time. In financial planning, the Company has taken into account the possible impact of COVID-19 on the operations of the Company, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets and impact on revenues and costs. The Company has been able to effectively manage the operations till now with appropriate safety precautions, with minimal impact of COVID-19 on the plant operations. The Company will continue to closely monitor future developments and take appropriate measures to minimise any adverse impact on the profit margin and to ensure business continuity.

c) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has evaluated and considered its operating cycle as 12 months.

Deferred tax assets/liabilities are classified as non-current assets/liabilities.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

d) Property, Plant and Equipment (PPE)

Property, Plant and Equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

For qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy based on Ind AS 23 – Borrowing costs. Such properties are classified to the appropriate categories of PPE when completed and ready for intended use

The cost and related accumulated depreciation are eliminated from the Financial Statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

The Company depreciates Property, Plant and Equipment (other than service equipment) over their estimated useful lives using the straight-line method. Depreciation on Service Equipment and other items of Property, Plant and Equipments is provided on Written Down Value Method based on the useful lives prescribed in Schedule II of the Companies Act, 2013 based on a review by the management at the year-end.

Asset Category	Useful lives (in years)
Factory Building	30
Office Building	60
Plant and Equipment	5 to 25
Furniture and Fixtures	10
Office equipment	5
Vehicles	8

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components). The cost of replacement spares/major inspection relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

Depreciation methods, useful lives and residual values are reviewed periodically and updated as required, including at each financial year end.

e) Intangible assets

Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortisation and impairment. Advances paid towards the acquisition of intangible assets outstanding at each Balance Sheet date are disclosed as other non-current assets and the cost of intangible assets not ready for their intended use before such date are disclosed as intangible assets under development.

The Company amortise intangible assets over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Asset Category	Useful lives (in years)
Computer software	5

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

The residual values, useful lives and methods of amortisation of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

f) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the Statement of Profit and Loss.

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

g) Revenue recognition

Revenue from contracts with customers is recognised on transfer of control of Promised goods or services to a customer at an amount that reflect the consideration to which the Company is expected to be entitled to in exchange for those goods or services. Revenue towards satisfaction of a Performance obligation is measured at the amount of transaction price, net of variable consideration and excluding taxes or duties collected on behalf of the government. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

i. Sale of goods

Revenue from the sale of goods is recognized when the control on the goods have been transferred to the customers. The Performance obligation in case of sale of goods is satisfied at a point of time, i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

ii. Interest income

Interest income is reported on an accrual basis using the effective interest method and is included under the head "other income" in the Statement of Profit and Loss.

iii. Export Incentives

Income from export incentives are recognised when the right to receive credit as per the terms of the scheme is established and when there is certainty of realisation.

iv. Dividends

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

v. Rental income

Rental income arising from operating leases is accounted for over the lease terms and is included in other income in the statement of profit or loss.

h) Employee benefits

Employee benefits include superannuation, provident fund, employee state insurance scheme, gratuity and compensated absences. Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind AS 19, Employee Benefits.

Defined contribution plan

Retirement benefit in the form of provident fund and employee state insurance scheme is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and employee state insurance scheme. The Company recognises contribution payable to the schemes as an expenditure, when an employee renders the related service. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

The Company has defined contribution plans for employees comprising of Superannuation Fund, Provident Fund and Employee's State Insurance. The contributions paid/payable to these plans during the year are charged to the Statement of Profit and Loss for the year.

Defined benefit plan:

Gratuity

Payment of Gratuity to employees is covered by the KCPL Gratuity Trust Scheme based on the Group Gratuity cum Assurance Scheme of the LIC of India, which is a defined benefit scheme and the Company make contributions under the said scheme. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any). The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Long term employee benefits:

i. Compensated absences

The Company provides benefit of compensated absences under which unavailed leave are allowed to be accumulated to be availed in future. The compensated absences comprises of vesting as well as non vesting benefit. The cost of short term compensated absences are provided for based on estimates. Long term compensated absence costs are provided for based on actuarial valuation using the project unit credit method.

The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Service and interest cost on the Company's

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

h) Employee benefits *(cont'd)*

defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost.

Gains and losses through re-measurements of the defined benefit plans are recognized in other comprehensive income, which are not reclassified to profit or loss in a subsequent period.

ii. Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

i) Leases

Effective from 1 April 2019, the Company adopted Ind AS 116 – Leases and applied the standard to all lease contracts existing as on 1 April 2019 using the modified retrospective method on the date of initial application i.e. 1 April 2019.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Subsequently, the lease liability is measured at amortised cost using the effective interest method.

It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases of real estate properties that have a lease term of 12 months. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

j) Foreign currency transactions

i. Functional and presentation currency

The functional currency of the Company is the Indian Rupee. These Financial Statements are presented in Indian Rupees (₹).

ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

or Loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

k) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

l) Inventories

Inventories are valued at lower of cost or net realisable value, item wise. For this purpose, the cost of bought-out inventories comprise of the purchase cost of the items, net of applicable tax/duty credits and cost of bringing such items into the factory on a weighted average basis. The cost of manufactured inventories comprises of the direct cost of production plus appropriate overheads. The net realisable value of bought out inventories is taken at their current replacement value.

m) Research and development

Revenue expenditure (net of recoveries) pertaining to research is charged to the Statement of Profit and Loss in the year in which it is incurred. Costs of development of products are also charged to the Statement of Profit and Loss in the year it is incurred, unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises of expediture that can be directly attributed or allocated on a reasonable and consistent basis for creating, producing and making the asset ready for its intended use. Property, plant and equipment utilised for research and development are capitalised and depreciated in accordance with the policies stated for property, plant and equipment.

n) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants for non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

o) Investments in subsidiaries

The Company's investment in equity instruments in subsidiaries are accounted for at cost. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

p) Income taxes

Income tax expense comprises current and deferred income tax. Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

right to setoff the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred tax is recognised on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. The Company offsets deferred tax assets and deferred tax liabilities, where it has a legally enforceable right to setoff the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. In the year in which MAT credit becomes eligible to be recoginized as an asset, the said asset is created by way of a credit to the statement of profit and loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

q) Provisions and contingencies

i. Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

ii. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

discloses its existence in the Financial Statements.

iii. Contingent assets

Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

r) Financial instruments

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

i. Debt instruments at amortised cost;
ii. Debt instruments at fair value through other comprehensive income (FVOCI);
iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL); and
iv. Equity investments.

i. Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met: a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

ii. Debt instrument at FVOCI

A 'debt instrument' is classified as at the FVOCI if both of the following criteria are met: a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of profit and loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method.

iii. Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

iv. Equity investments

All equity investments in scope of Ind AS 109 Financial Instruments, are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 Business Combinations, applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by- instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

r) Financial instruments *(cont'd)*

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

a. The rights to receive cash flows from the asset have expired, or

b. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depend on their classification, as described below:

i. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 Financial Instruments.

ii. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

iii. Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

iv. Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind AS 109 Financial Instruments and the amount recognised less

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

r) Financial instruments *(cont'd)*

cumulative amortisation.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks arising from highly probable future forecasted foreign currency receivables. This derivative financial instrument are designated in a cash flow hedge relationship. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss and is reclassified to underlying hedged item. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs.

s) Impairment of financial assets

In accordance with Ind AS 109 Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

The Company applies approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

t) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorised within the fair value hierarchy, described as follows:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

u) Cash and cash equivalents

Cash and cash equivalent in the statement of financial position comprises of cash at banks and on hand, demand deposits, short-term deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash, which are subject to an insignificant risk of changes in value.

v) Dividend Distribution to Equity holders of the Company

Dividend to the companies Equity Shareholders are recognized when the dividends are approved for payment by the shareholders.

w) Assets held for sale

An entity shall classify a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and its sale is highly probable. Management must be committed to sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some held for sale assets such as financial assets, assets arising from employee benefits and deferred tax assets, continue to be measured in accordance with the Company's relevant accounting policy for those assets. Once classified as held for sale, the assets are not subject to depreciation or amortisation.

x) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Company is engaged in the business of manufacture and sale of Gelatin, Ossein, DCP and Collagen Peptide, which form broadly part of one product group and hence constitute a single business segment.

y) Earnings per share (EPS)

Basic EPS is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

z) Business Combinations of entities under common control

Business Combinations involving entities that are controlled by the Company or ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory, are accounted for using the pooling of interests method as follows:

i. The assets and liabilities of the combining entities are reflected at their carrying amounts.

ii. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.

iii. The financial information in the Financial Statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the Financial Statements, irrespective of the actual date of the combination, however, where the business combination had occurred after that date, the prior period information is restated only from that date.

iv. The balance of the retained earnings appearing in the Financial Statements of the transferor is aggregated with the corresponding balance appearing in the Financial Statements of the transferee or is adjusted against general reserve.

v. The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee.

The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately as capital reserves.

aa) Recent accounting pronouncements

Standards issued but not effective on Balance Sheet date:

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.01 Property, plant and equipment (PPE) & Capital work-in-progress

	Freehold land	Right of use asset leasehold land	Building	Plant & equipment	Furniture and fixtures	Office equipment	Vehicles	Total PPE	Capital work-in-progress
Gross carrying amount									
Balance as at 1 April 2020	**442.04**	**884.18**	**3,301.71**	**11,849.52**	**66.07**	**156.09**	**70.32**	**16,769.93**	**407.66**
Additions	-	-	99.53	793.78	13.87	30.04	0.16	937.38	180.52
Disposals	-	-	0.11	207.47	0.15	22.70	0.05	230.48	408.51
Balance as at 31 March 2021	**442.04**	**884.18**	**3,401.13**	**12,435.83**	**79.79**	**163.43**	**70.43**	**17,476.83**	**179.67**
Additions	-	-	121.53	567.99	8.04	37.42	44.27	779.25	690.81
Disposals	-	-	1.60	47.92	0.13	13.39	40.86	103.90	159.48
Balance as at 31 March 2022	**442.04**	**884.18**	**3,521.06**	**12,955.90**	**87.70**	**187.46**	**73.84**	**18,152.18**	**711.00**
Accumulated depreciation and impairment									
Balance as at 1 April 2020	**-**	**125.44**	**924.66**	**3,984.62**	**31.10**	**96.63**	**46.17**	**5,208.62**	**-**
Depreciation charge for the year	-	9.10	214.38	1,198.75	9.74	32.99	7.60	1,472.56	-
Impairment loss (refer note f below)	-	-	-	200.00	-	-	-	200.00	-
Disposals	-	-	0.09	162.62	0.14	20.05	0.04	182.94	-
Balance as at 31 March 2021	**-**	**134.54**	**1,138.95**	**5,220.75**	**40.70**	**109.57**	**53.73**	**6,698.24**	**-**
Depreciation charge for the year	-	9.10	199.02	1,085.21	10.95	30.39	6.13	1,340.80	-
Impairment loss (refer note f below)	-	-	-	22.00	-	-	-	22.00	-
Disposals	-	-	0.98	40.63	0.13	12.44	34.63	88.81	-
Balance as at 31 March 2022	**-**	**143.64**	**1,336.99**	**6,287.33**	**51.52**	**127.52**	**25.23**	**7,972.23**	**-**
Net carrying amount									
As at 31 March 2021	**442.04**	**749.64**	**2,262.18**	**7,215.08**	**39.09**	**53.86**	**16.70**	**10,778.59**	**179.67**
As at 31 March 2022	**442.04**	**740.54**	**2,184.07**	**6,668.57**	**36.18**	**59.94**	**48.61**	**10,179.95**	**711.00**

Note:

a. **Contractual obligations**
Refer note 3.32.

b. **Capitalised borrowing cost**
There is no borrowing costs capitalised during the year ended 31 March 2022 (31 March 2021: Nil).

c. **Property, plant and equipment and Capital work-in-progress pledged as security**
Refer note 3.28.

d. Additions to Plant and Equipment include Research & Development Assets capitalised during the year ₹ 8.11 lakhs (31 March 2021 - ₹ 24.48 lakhs) (Refer note 3.26.1)

e. The gross carrying value, accumulated depreciation and net carrying value as at 31 March 2022 and 31 March 2021 includes the assets of M/s Reva Proteins Limited, erstwhile subsidiary company, (the 'Transferor company') which was merged with the Company w.e.f. 1 April 2017 as per the orders of the National Company Law Tribunal, Chennai dated 27 March 2019. The carrying value of assets and liabilities of the Transferor company as of 1 April 2017 was taken over and included in the values of assets and liabilities of the Company.

f. Performance of the plant in Reva Division, Bharuch of the Company is reported as a cost centre for products used captively for manufacture of Gelatin and profit centre for products sold to external customers (including Group Company). In the opinion of the management the utilisation of the capacity in this plant is important to ensure that the Gelatin capacity of the Company is fully utilised. In view of the existence of certain indicators of impairment of assets of the Company in this plant, the Company was conducting impairment testing of the carrying value of all Property, Plant and Equipment in this plant till 31 December 2021 in the manner prescribed in Ind AS 36 and necessary provision for impairment of assets was carried in the books. As directed by the Board of Directors vide their meeting dated 7 February 2022, management performed a comprehensive technical and financial evaluation to identify the fundamental cause behind the lower margin at the division. To comply with pollution control board guidelines the company needs to incur additional expense to manufacture one of the products exported from the division. The management was not utilising the installed capacity in full due to the higher manufacture cost as mentioned above. In the opinion of management the manufacture and sale of this product would qualify as a cash generating unit (CGU) as per Ind AS 36 as it represents an identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Consequently, an impairment testing of the carrying value of certain identified Property, Plant and Equipment used for manufacture of this product as at 31 March 2022 was carried out in the manner prescribed in Ind AS 36. Based on the cash flow projections made by the company for this CGU, the recoverable amount of the group of assets is determined to be ₹ 209.80 Lakhs as against the carrying amount of ₹ 741.75 Lakhs. The total provision for impairment of assets carried in the books is ₹ 531.95 Lakhs including an additional provision for impairment amounting to ₹ 22.00 Lakhs for the year ended 31 March 2022 (₹ 200.00 Lakhs for the year ended 31 March 2021) and no further provision is considered necessary on this account.

g. Right of Use Asset includes 'Leasehold land' which represents land obtained on long term lease from various Government authorities. The same has been reclassified to Right of Use Assets on account of adoption of Ind AS 116 'Leases' (refer note 3.35)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.01.01 Capital work-in-progress (CWIP)

CWIP ageing schedule

CWIP	Amount in CWIP as at 31 March 2022				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	682.86	10.94	-	17.20	711.00
Projects temporarily suspended	-	-	-	-	-

CWIP	Amount in CWIP as at 31 March 2021				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	115.39	10.84	21.17	-	147.40
Projects temporarily suspended	32.27	-	-	-	32.27

There are no Capital Work in Progress which are overdue or has exceeded the costs compared to its original plan

3.02 Other Intangible assets

	Software	Total
Gross carrying amount:		
Balance as at 1 April 2020	**87.61**	**87.61**
Additions	7.72	7.72
Disposals	0.85	0.85
Balance as at 31 March 2021	**94.48**	**94.48**
Additions	48.53	48.53
Disposals	-	-
Balance as at 31 March 2022	**143.01**	**143.01**
Accumulated amortisation	**64.09**	**64.09**
Amortisation for the year	8.38	8.38
Disposals	0.81	0.81
Balance as at 31 March 2021	**71.66**	**71.66**
Amortisation for the year	18.66	18.66
Disposals	-	-
Balance as at 31 March 2022	**90.32**	**90.32**
Net carrying amount		
As at 31 March 2021	**22.82**	**22.82**
As at 31 March 2022	**52.69**	**52.69**

Note:

Contractual obligations

There are no contractual obligations for the acquisition of intangible assets.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

		As at 31 March 2022	As at 31 March 2021
3.03	**Investments**		
	a) Investments in Equity Instruments		
	At FVOCI, Quoted #		
	(a) 4,200 (4,200) Equity Shares of ₹ 1 each in State Bank of India, fully paid up	20.77	15.29
	(b) 100 (100) Equity Shares of ₹10 each in Industrial Finance Corporation of India Limited, fully paid up	0.01	0.01
	Aggregate amount of quoted investments	**20.78**	**15.30**
	Valued at cost, Unquoted		
	Investment in subsidiary:		
	(a) 3,500,000 (3,500,000) fully paid up Equity Shares of ₹10 each in Bamni Proteins Limited	350.00	350.00
	At FVTPL, Unquoted		
	(a) 60,000 (60,000) fully paid up Equity Shares of ₹ 10 each in Kerala Enviro Infrastructure Limited	6.00	6.00
	(b) 300,000 (300,000) fully paid up Equity Shares of ₹ 10 each in Seafood Park India Limited	31.50	31.50
	(c) 50,000 (50,000) fully paid up Equity Shares of ₹ 10 each in Cochin Waste 2 Energy Private Limited	5.00	5.00
	Less: Provision for impairment of investments	(5.00)	(5.00)
	(d) 414,000 (414,000) fully paid up equity shares of ₹ 10 each in Narmada Clean Tech Limited	41.40	41.40
	Total	**428.90**	**428.90**
	Grand Total	**449.68**	**444.20**
	Aggregate amount of quoted investments	20.78	15.30
	Aggregate market value of quoted investments	20.78	15.30
	Aggregate amount of unquoted investments	433.90	433.90
	Aggregate amount of impairment in value of investments	(5.00)	(5.00)

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the directors of the Company have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

		As at 31 March 2022	As at 31 March 2021
3.04	**Loans**		
	Non-current		
	(Unsecured, considered good)		
	Loan to employees	3.80	4.62
		3.80	**4.62**
	Current		
	(Unsecured, considered good)		
	Loan to employees	2.89	3.61
		2.89	**3.61**
3.05	**Other financial assets**		
	Non-current		
	(Unsecured, considered good)		
	Security deposits	371.64	377.88
	Earmarked balances with banks for unpaid dividend**	15.91	13.84
		387.55	**391.72**
	Current		
	(Unsecured, considered good)		
	Security deposits	1.13	2.71
	Advances recoverable in cash or in kind	72.88	75.06
	Hedge asset	29.49	172.85
	Interest receivable	9.97	8.86
	Others	5.98	5.94
		119.45	**265.42**

** Not due for deposit in the investor education and protection fund.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

		As at 31 March 2022	As at 31 March 2021
3.06	**Other assets**		
	Non-current		
	(Unsecured, considered good)		
	i. Capital advance	98.32	21.44
	ii. Advances other than capital advances;		
	a. Other advances		
	Prepaid expenses	7.01	17.77
	iii. Others		
	Export incentive receivable [refer note (a) below]	630.74	420.02
	VAT refund receivable	88.27	88.27
	Deposit with government authorities	78.16	78.16
	(Unsecured, considered doubtful)		
	Export incentive receivable [refer note (a)(b) and (c) below]	213.88	177.76
	Less: Provision for doubtful receivable	(213.88)	(177.76)
		902.50	**625.66**
	Current		
	(Unsecured, considered good)		
	i. Advances other than capital advances;		
	Advances to suppliers and contractors	154.74	120.68
	Prepaid expenses	152.73	146.43
	ii. Others		
	Balances with statutory authorities	52.05	26.24
	Export incentive receivable / benefit (MEIS, RoDTEP & Advance authorisation)	371.35	68.41
		730.87	**361.76**

Export incentives receivable includes:

(a) Claims amounting to ₹ 208.18 Lakhs (31 March 2021: ₹ 208.18 Lakhs) under Duty Entitlement Pass Book (DEPB) Scheme recognised as income in earlier years. The Company had also availed Duty Drawback benefit for the corresponding periods amounting to ₹ 41.51 Lakhs (31 March 2021: ₹ 41.51 Lakhs). The Dy. Director General of Foreign Trade vide letter dt 03 October 2011 had informed the Company that the dual benefit of DEPB as well as Duty Drawback cannot be allowed and advised that either DEPB benefit or Duty Drawback on the export product may be availed. The Company has been legally advised that it is entitled to both benefits as per the relevant regulations, based on which representations have been filed before higher authorities. During an earlier year, the Grievance Committee of the Directorate General of Foreign Trade have heard the Company's grievance application and remanded the matter back to the original adjudicating authorities for re-examining and for issuing necessary clarification based on the provisions of Foreign Trade Policy. Though the management is of the opinion that these claims are fully recoverable, provision of ₹ 113.14 Lakhs has been created in the accounts towards Duty Drawback claim for the relevant period as a matter of prudence.

(b) Claim for duty drawback on furnace oil consumed relating to earlier years amounting to ₹ 64.62 Lakhs (31 March 2021: ₹ 64.62 Lakhs) which has been decided against the Company by the division bench of the Hon'ble High Court of Kerala. The Company has sought further appeal before Hon'ble Supreme Court and although the Company is hopeful of favourable order, provision of ₹ 64.62 Lakhs has been created in respect of such disputed claims in the books of account as a matter of prudence.

(c) Company has also made an additional provision of ₹ 36.12 Lakhs towards All Industry Rate duty drawback claims pending for clearance by the Customs Department as a matter of prudence during the financial year 2021-22.

3.07	**Inventories**		
	Raw materials	2,812.10	1,992.45
	Work-in-progress	3,840.96	4,149.03
	Finished goods	1,883.06	1,516.31
	Stores and spares #	589.94	580.98
	Packing materials	75.47	56.59
		9,201.53	**8,295.36**

net of provision made for non moving inventory amounting to ₹ 71.08 Lakhs as on 31 March 2022 (31 March 2021: ₹ 50.85 Lakhs).
Method of valuation of inventories - Refer 2(l) of Significant Accounting Policies.
For inventories pledged as security refer note 3.28

3.08	**Trade receivables**		
	Unsecured		
	Considered good	7,608.60	5,555.53
	Credit impaired	4.60	4.60
	Less: Loss allowance	(33.05)	(33.05)
		7,580.15	**5,527.08**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

Trade receivables ageing schedule as at 31 March 2022

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	7,608.30	-	-	-	0.30	**7,608.60**
(ii) Disputed Trade Receivables – credit impaired	-	-	-	-	4.60	**4.60**
Less: Loss allowance						**(33.05)**
Total Trade receivables						**7,580.15**

Trade receivables ageing schedule as at 31 March 2021

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	5,549.87	-	-	3.11	2.55	**5,555.53**
(ii) Disputed Trade Receivables – credit impaired	-	-	-	-	4.60	**4.60**
Less: Loss allowance	-	-	-	-	-	**(33.05)**
Total Trade receivables						**5,527.08**

Trade receivables are non-interest bearing and are generally on terms of 30 to 180 days

	As at 31 March 2022	As at 31 March 2021
3.09 Cash and cash equivalents		
Balance with banks (with maturity less than three months)		
- In Current accounts	12.50	27.72
- In Deposit accounts*	-	40.16
Cash on hand	2.20	2.11
	14.70	**69.99**
3.10 Bank balances other than cash and cash equivalents		
Balance with banks (with maturity more than three months but less than twelve months)		
- In deposit accounts*	80.41	166.07
	80.41	**166.07**

* Balance with banks in deposit accounts include ₹ 80.41 Lakhs (31 March 2021: ₹ 40.16 Lakhs) with a maturity period of less than twelve months, which are held as security against Letter of Credits/Guarantee and Buyers Credit.

3.11 Equity share capital

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of Shares	Amount	No. of Shares	Amount
(a) Authorised				
Equity share of ₹ 10 each	40,000,000	4,000	40,000,000	4,000
Optionally convertible non cumulative preference shares of ₹ 170 each	929,412	1,580	929,412	1,580
Optionally convertible non cumulative preference shares of ₹ 10 each	20,000,000	2,000	20,000,000	2,000
Redeemable preference shares of ₹ 10 each	4,444,444	444.44	4,444,444	444.44
	65,373,856	8,024.44	65,373,856	8,024.44
(b) Issued, subscribed and fully paid-up equity shares				
Equity share of ₹ 10 each	9,079,160	907.92	9,079,160	907.92
	9,079,160	**907.92**	**9,079,160**	**907.92**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of Shares	Amount	No. of Shares	Amount
Equity share of ₹ 10 each				
Opening balance	9,079,160	907.92	9,079,160	907.92
Issue of shares during the year	-	-	-	-
Closing balance	**9,079,160**	**907.92**	**9,079,160**	**907.92**

(b) Terms/Rights attached to equity shares:

The Company has only one class of shares referred to as equity shares with a face value of ₹10 each. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed/declared by the Board of Directors is subject to approval/regularisation of the shareholders' in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts, in proportion to the number of equity shares held by the shareholders.

(c) Details of shares held by holding company

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of Shares	%	No. of Shares	%
Equity share of ₹ 10 each				
Nitta Gelatin Inc. Japan	3,900,300	42.96	3,900,300	42.96

(d) Details of shares held by each shareholder holding more than 5% of shares:

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of Shares	%	No. of Shares	%
Equity share of ₹ 10 each				
Nitta Gelatin Inc. Japan	3,900,300	42.96	3,900,300	42.96
Kerala State Industrial Development Corporation Limited	2,862,220	31.52	2,862,220	31.52

(e) Details of shares held by promoters as at 31 March 2022

Particulars	As at 31 March 2022		
	No. of Shares	% of total shares	% change during the year
Equity share of ₹ 10 each			
Nitta Gelatin Inc. Japan	3,900,300	42.96	-
Kerala State Industrial Development Corporation Limited	2,862,220	31.52	-

(f) Distribution of dividend paid and proposed

Particulars	As at 31 March 2022	As at 31 March 2021
Dividends on equity shares declared and paid for the year ended 31 March 2021 (₹ 3 per equity share)	272.37	226.98
Proposed cash dividend for the year ended 31 March 2022 (₹ 4 per equity share)	363.17	272.37

(g) Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Equity shares allotted as fully paid Bonus shares by capitalisation of reserves	-	-	-	-	5.79

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

		As at 31 March 2022	As at 31 March 2021
3.12	**Other equity (Refer Standalone Statement of Changes in Equity)**		
	Securities premium	2,895.90	2,895.90
	Special export reserve (under the Income Tax Act, 1961)	79.00	79.00
	Equity component of compound financial instruments	984.43	984.43
	General reserve	7,836.64	7,836.64
	Capital reserve on merger	2,750.62	2,750.62
	Retained earnings	3,296.00	908.67
	Items of Other comprehensive income		
	- Hedge reserve	9.44	111.05
	- Equity Instruments through OCI	15.28	10.94
	- Remeasurement of defined benefit plans(net)	(303.55)	(174.89)
		17,563.76	**15,402.36**

Description of nature and purpose of each reserve:

a. Securities premium
The amount received in excess of face value of the equity shares was recognised in securities premium. The reserve is utilised in accordance with the provisions of the Act.

b. Retained earnings
Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

c. Special export reserve
Special export reserve was created as per the provisions of Income Tax Act, 1961 for availing the tax benefits for exports.

d. Equity component of compound financial instruments
The difference between the fair value and cost of the financial instrument has been considered as additional contribution and shown as part of Other equity.

e. General reserve
General reserve was created from time to time by way of transfer of profits from retained earnings for appropriation purposes.

f. Capital reserve on merger
Capital reserve was created on merger of erstwhile subsidiary, M/S. Reva Proteins Limited with the Company. The Company uses capital reserve for transactions in accordance with the provisions of the Act.

g. Items of Other Comprehensive Income
i) Hedge reserve: Effective portion of fair value gain/(loss) on all financial instrument designated in cash flow hedge relationship are accumulated in hedge reserve.

ii) Equity Instruments through Other Comprehensive Income:
The Company has elected to recognise the change in fair value of certain investments in other comprehensive income. These changes are accumulated within the Equity Instruments through OCI. The Company transfers amounts from this reserve to retained earnings when the relevant equity instruments are derecognised.

iii) Remeasurement gain/(loss) on net defined benefit plans:
Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

		As at 31 March 2022	As at 31 March 2021
3.13	**Borrowings**		
	Non current		
	(Secured)		
	Term loans from banks:		
	- From State Bank of India	341.20	-
	Term loans from related party:		
	- Kerala State Industrial Development Corporation	-	257.38
	(Unsecured)		
	Loan from related party:		
	- External Commercial Borrowings (ECB) from Nitta Gelatin Inc	462.06	789.94
	Liability component of redeemable preference shares	392.60	385.08
	Liability component of optionally convertible preference shares	1,555.29	1,462.99
		2,751.15	**2,895.39**
	Current portion of liability component of optionally convertible preference shares	(1,555.29)	-
	Current maturities of non-current borrowings	(520.00)	(586.00)
		675.86	**2,309.39**
	Current		
	(Secured)		
	Loans repayable on demand		
	From Banks:		
	Cash credits/working capital demand loans	4,204.11	3,614.83
	Bills discounting	1,010.18	518.74
	Buyer's credit	-	443.61
	Current portion of liability component of optionally convertible preference shares	1,555.29	-
	Current maturities of non-current borrowings	520.00	586.00
		7,289.58	**5,163.18**

Quarterly returns or statements of current assets filed by the company with banks or financial institutions are in agreement with the books of accounts.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.13 Borrowings (Non - current) *(cont'd)*

Sl. No.	Particulars	Nature of Security	Repayment details	As at 31 March 2022	As at 31 March 2021
Term loans from banks (Secured)					
i.	State Bank of India	Exclusive first charge over the Property, Plant and Equipment financed out of the term loan.	Principal repayment will be in 16 quarterly instalments commencing from June 2022.	341.20	-
				341.20	**-**

The interest on one of the term loans from State Bank of India is linked to LIBOR rates; the effective interest rate ranges from 2.50 % to 2.80%. For the other loan; the interest is linked to EBLR and the effective interest rate is 10.65% at present.

Sl. No.	Particulars	Nature of Security	Repayment details	As at 31 March 2022	As at 31 March 2021
Term loans from others (Secured)					
i.	Kerala State Industrial Development Corporation Ltd	Exclusive first charge over the Property, Plant and Equipment of the company including leasehold assets, both present and future.	The principal is repayable in 22 quarterly installments, commencing from 11 March 2017 in the following manner: From, March 2017 to March 2022 - ₹ 54 Lakhs per quarter In June 2022 - ₹ 53.50 Lakhs per quarter. Interest rate for the loan is 8.5 %.	-	257.38
				-	**257.38**
Term loans from Others (Unsecured)					
i.	ECB from Nitta Gelatin Inc	ECB's are unsecured	(a) The principal amount of ₹ 650 Lakhs taken by the Company, repayable in five annual instalments of ₹ 130 Lakhs on 24 March 2019, 24 March 2020, 24 March 2021, 24 March 2022 and 24 March 2023 and the interest rate is payable @ 6 months USD LIBOR Rate + 5.00 % at half yearly rests. (b) The principal Amount of ₹ 900 Lakhs taken by the Company, repayable in 15 Equal Instalments of ₹ 60 Lakhs each from Dec 2019 to Jun 2023. The interest is payable @ 6 months USD LIBOR Rate + 5.00 % at half yearly rests.	462.06	789.94
				462.06	**789.94**

The interest on above term loans from NGI are linked to LIBOR rates. The effective interest rates per annum ranges between +5.20 % to +5.30 %.

ii.	Optionally convertible preference shares	Refer note (3.13.1) below	-	1,462.99
iii	Redeemable Preference Shares	Refer note (3.13.2) below	392.60	385.08
			392.60	**1,848.07**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.13.1 The Company has issued 929,412 Nos of Optionally Convertible Non-Cumulative Preference Shares ('OCPS') with a face value of ₹ 170/- each for cash at par on a preferential basis to M/s. Nitta Gelatin Inc., Japan, a significant shareholder. Each holder of Preference shares is entitled to a preferential right for fixed dividend of 5.4029% (5 % + 6 months USD LIBOR as on record date i.e., 17.04.2015) per annum on the face value of the OCPS, on a non-cumulative basis payable on pro-rata basis from date of allotment, if declared. The OCPS is convertible into an equal number of equity shares of face value of ₹ 10/- each within 18 months from the date of allotment (i.e. 28.04.2015), in one or more financial years, at a price of ₹ 170/- each (inclusive of a premium of ₹ 160/- per share). All outstanding Optionally Convertible Non- Cumulative Preference Shares, which are not converted into equity shares at the end of the 18 months from the date of allotment are redeemable at par at the expiry of seven years from date of allotment or except as is otherwise repayable on the exercise of a put and call option at the expiry of five years from date of allotment subject to such approvals as may be required. No OCPS was converted into equity shares till the completion of the period of 18 months from the date of allotment.

3.13.2 Pursuant to the merger as detailed in Note 3.41 , the company had issued 44,44,444 numbers of Redeemable Preference shares of ₹ 10/- each to Nitta Gelatin Inc., as consideration for their equity holding of 48,00,000 shares in the Transferor Company during the financial year 2019-20. These preference shares are redeemable at par at the expiry of seven years from the date of allotment. i.e. 3 April 2019.

3.13 Borrowings (Current)

Sl. No.	Particulars	Nature of Security	Repayment details	As at 31 March 2022	As at 31 March 2021
i	Working Capital Loans in Foreign currency from Banks (including Bills discounting and Buyers Credit)	Secured by the hypothecation of entire current assets of the Company namely inventories, debtors, cash and bank balances, other current assets and loans and advances, present and future and by way of pari passu charge on the Property, plant and equipment of the Company. The Interest rate is 0.90 % to 1.05 % over the LIBOR rates.	The loans are repayable on demand	2,370.21	3,838.20
ii	Cash Credit/Short term loans in Indian Rupee from Banks/ Financial Institutions	Secured by the hypothecation of entire current assets of the Company namely inventories, debtors, cash and bank balances, other current assets and loans and advances, present and future and by way of pari passu charge on the Property,plant and equipments of the Company. The Interest rate ranges from 5 % to 8 %	The loans are repayable on demand	2,844.08	738.98
iii	Optionally convertible preference shares		Refer note (3.13.1) above	1,555.29	-
				6,769.58	**4,577.18**

3.14 Deferred Tax Liabilities (net)

	As at 31 March 2022	As at 31 March 2021
Deferred tax liability arising on account of:		
Differences between book balance and tax balance of property, plant and equipment	886.49	970.85
Timing differences on assessment of income	124.85	60.70
Deferred Tax Assets		
Unabsorbed depreciation and carried forwarded tax losses	-	(18.31)
Deferred tax impact on fair value changes	(36.48)	
Provision for doubtful debts and others	(149.12)	(120.72)
Provision for employee benefits	(185.68)	(135.25)
MAT Credit entitlement	(109.03)	(599.00)
Others	(2.11)	(3.18)
	528.95	**155.09**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

Movement in Deferred Tax Liabilities/(assets) balances during the year ended 31 March 2022

Particulars	Opening Balance	MAT Credit Utilisation	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Total
Deferred tax liability/(assets)					
Differences between book balance and tax balance of property, plant and equipment	970.85		(84.36)	-	886.49
Timing differences on assessment of income	60.70		64.15	-	124.85
Deferred tax impact on fair value changes	(18.31)		22.47	(40.61)	(36.45)
Provision for doubtful debts and others	(120.72)		(28.40)	-	(149.12)
Provision for employee benefits	(135.25)		2.43	(52.86)	(185.68)
MAT Credit entitlement	(599.00)	489.97	-	-	(109.03)
Others	(3.18)		1.07	-	(2.11)
Deferred Tax Liabilities (Net)	**155.09**	**489.97**	**(22.64)**	**(93.47)**	**528.95**

Movement in Deferred Tax Liabilities/(assets) balances during the year ended 31 March 2021

Particulars	Opening Balance	MAT Credit Utilisation	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Total
Deferred tax liability/(assets)					
Differences between book balance and tax balance of property, plant and equipment	1,112.47		(141.62)	-	970.85
Timing differences on assessment of income	93.33		(32.63)	-	60.70
Deferred tax impact on fair value changes	(152.84)		(80.40)	214.93	(18.31)
Unabsorbed depreciation and carried forwarded tax losses	(651.83)		651.83	-	-
Provision for doubtful debts and others	(124.21)		3.49	-	(120.72)
Provision for employee benefits	(78.38)		(17.56)	(39.31)	(135.25)
MAT Credit entitlement	(396.00)	-	(203.00)		(599.00)
Others	(13.28)		10.10	-	(3.18)
Deferred Tax Liabilities (Net)	**(210.74)**	**-**	**190.21**	**175.62**	**155.09**

		As at 31 March 2022	As at 31 March 2021
3.15	**Trade payables**		
	Total outstanding dues of micro enterprises and small enterprises (refer note (a) and (b) below)	230.26	400.10
	Total outstanding dues of creditors other than micro enterprises and small enterprises*	1,657.43	1,989.90
		1,887.69	**2,390.00**

Trade Payables includes provision for expenses accrued and other claims for which bills are yet to be received and pending settlement.

(a) Dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act (MSMED), 2006 to the extent identified and information available with the Company. This has been relied upon by the auditors.

(b) Subsidiary of the company M/S.Bamni Protiens Ltd was registered as MSME during the month of March 2021 and hence the balance includes ₹ 135.88 Lakhs which is the balance payable to them as on 31 March 2022. (31 March 2021: ₹ 280.82 Lakhs)

		31 March 2022	31 March 2021
i)	Principal amount remaining unpaid (but within due date as per the Micro, Small and Medium Enterprises Development Act, 2006)	230.26	400.10
ii)	Interest due thereon remaining unpaid	0.47	1.63
iii)	Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period.	-	-
iv)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006.	-	-
v)	Interest accrued and remaining unpaid	0.47	1.63
vi)	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

* Includes ₹ 29.86 lakhs dues payable to related party Nitta Gelatin Inc as at 31 March 2022 (31 March 2021: ₹ 34.12 Lakhs)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

Trade payable ageing schedule as at 31 March 2022

	Outstanding for following periods from due date of payment				
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	230.26	-	-	-	230.26
(ii) Others	589.63	10.10	-	6.40	606.13
(iii) Disputed dues – MSME					
(iii) Disputed dues – Others					

Gross Total	**836.39**
Accrued expenses (Others)	1,051.30
Total	**1,887.69**

Trade payable ageing schedule as at 31 March 2021

	Outstanding for following periods from due date of payment				
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	398.86	1.24	-	-	400.10
(ii) Others	845.05	20.45	0.58	21.56	887.60
(iii) Disputed dues – MSME					
(iii) Disputed dues – Others					

Gross Total	**1,287.70**
Accrued expenses (Others)	1,102.30
Total	**2,390.00**

	As at 31 March 2022	**As at 31 March 2021**
3.16 Other financial liabilities		
Current		
Interest accrued but not due on borrowings	3.04	2.24
Unpaid dividend*	15.91	13.84
Creditors for capital goods	-	4.32
Employee related liabilities	408.63	340.08
	427.58	**360.48**

* 'Earmarked balances with banks for unpaid dividend

	As at 31 March 2022	**As at 31 March 2021**
3.17 Provisions		
Non-current		
Provision for employee benefits (net)(Refer note 3.37)		
- Gratuity	165.88	68.94
- Compensated absence	163.36	192.43
	329.24	**261.37**
Current		
Provision for employee benefits (net)		
- Gratuity	84.99	71.22
- Compensated absence	105.48	71.57
Others (refer note 3.31)	222.86	222.86
	413.33	**365.65**
3.18 Other liabilities		
Current		
Advance received from customers	268.41	553.42
Others		
Statutory dues	103.36	64.78
Deferred income	396.39	234.72
	768.16	**852.92**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

		Year Ended 31 March 2022	Year Ended 31 March 2021
3.19	**Revenue from operations**		
	Revenue from Sale of goods		
	Sale of products	41,254.06	34,815.09
	Other operating revenues		
	Scrap sales	65.89	47.80
	Export incentives		
	- Government Grants	876.74	252.58
	- Duty Drawback	163.37	183.26
	- Merchandise Exports from India Scheme (MEIS)/ RoDTEP Incentives	356.75	21.88
	Liabilities/Provisions no longer required written back	12.47	12.00
	Other miscellaneous income	122.50	97.04
		1,597.72	**614.56**
		42,851.78	**35,429.65**

3.19.1 Disclosure under Ind AS 115 -Revenue from contracts with customers

Disaggregation of revenue from contracts with customers

The management determines that the segment information reported under Note 3.30 Segment reporting is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 'Revenue from contract with Customers'. Hence, no separate disclosures of disaggregated revenues are reported.

Contract Balances

Particulars		
Trade receivables	7,580.15	5,527.08
Contract liabilities - advance from customers	268.41	553.42
	7,848.56	6,080.50

During the year ended 31 March 2022, the Company has recognised revenue of ₹ 553.42 Lakhs (31 March 2021: ₹ 920.75 Lakhs) arising from opening contract liabilities.

The Company's performance obligation are satisfied upon shipment and payment is generally due by 30 to 180 days.

3.19.2	**Reconciliation of Revenue from sale of goods with the contracted price**		
	Contracted price	41,361.62	34,909.99
	Less: Trade discount, rebates etc.	(107.56)	(94.90)
	Net revenue recognised from contracts with customers	**41,254.06**	**34,815.09**
3.20	**Other Income**		
	Interest income		
	- On Bank deposits	4.37	9.99
	- Other Interest income	11.26	24.45
	Dividend income from non-current investments	175.17	332.80
	Net gain on foreign currency transactions and translations	345.29	56.42
	Profit on sale of assets (net)	0.45	-
	Miscellaneous income	43.54	38.36
		580.08	**462.02**

Miscellaneous income includes rental income and insurance claim received.

3.21	**Cost of materials consumed**		
	Opening Stock	1,992.45	1,834.42
	Add: Purchases	23,616.54	18,854.40
		25,608.99	**20,688.82**
	Less: Closing Stock	2,812.10	1,992.45
		22,796.89	**18,696.37**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

		Year Ended 31 March 2022	Year Ended 31 March 2021
3.22	**Changes in inventories of finished goods and work-in-progress**		
	Opening Stock		
	Finished Goods	1,516.31	2,073.81
	Work-in-progress	4,149.03	3,709.81
		5,665.34	**5,783.62**
	Less:		
	Closing Stock		
	Finished Goods	1,883.06	1,516.31
	Work-in-progress	3,840.96	4,149.03
		5,724.02	**5,665.34**
		(58.68)	**118.28**
3.23	**Employee benefits expense**		
	Salaries and wages	3,465.43	2,967.51
	Contribution to provident and other funds	374.29	312.25
	Workmen and staff welfare expenses	483.77	421.88
		4,323.49	3,701.64
	Less: Transfer to research and development expenditure (Refer Note 3.26.1)	(139.68)	(120.64)
		4,183.81	**3,581.00**
3.24	**Finance costs**		
	Interest expense - on bank borrowings	465.42	494.19
		465.42	**494.19**
3.25	**Depreciation and Amortisation Expense**		
	Depreciation of tangible assets (Refer note 3.01)	1,340.80	1,472.56
	Amortisation of intangible assets (Refer note 3.02)	18.65	8.38
		1,359.45	**1,480.94**
3.26	**Other expenses**		
	Consumption of stores, spares and consumables	984.27	766.33
	Effluent discharge charges	105.93	134.69
	Contract labour charges	145.08	134.77
	Packing materials consumed	357.77	283.39
	Research and development expenditure (Refer note 3.26.1)	180.92	169.70
	Power, fuel, water and gas	4,683.37	3,941.69
	Repairs		
	- Building	170.69	115.22
	- Plant and equipment	1,021.85	859.84
	- Others	412.68	351.77
	Loading, transportation and other charges on products	799.73	623.18
	Freight on exports	771.39	235.22
	Insurance	102.15	99.30
	Rent	32.46	35.95
	Rates and taxes	131.91	172.35
	Postage and telephone	40.28	41.34
	Printing and stationery	22.64	18.02
	Travelling and conveyance	100.96	87.53
	Director's sitting fee	13.75	11.00
	Payments to statutory auditor (Refer note 3.26.2)	22.60	22.19
	Advertisement and publicity	15.84	6.14
	Professional and consultancy charges	188.04	209.34
	Bank charges	57.38	55.10
	Expenses on corporate social responsibility activities (Refer note 3.26.3)	18.86	15.45
	Loss on assets sold/written off (net)	-	45.20
	Security service charges	223.71	224.75
	Provision for impairment on Plant and equipment	22.00	200.00
	Miscellaneous expenses	297.65	227.78
		10,923.91	**9,087.24**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

	Year Ended 31 March 2022	Year Ended 31 March 2021
3.26.1 Details of Research & Development expenditure		
(a) Revenue expenditure charged to the statement of profit and loss (Product development/Engineering expenses)		
Salary and allowances	139.68	120.64
Other expenses (Net of recoveries)	41.24	49.06
	180.92	**169.70**
(b) Capital expenditure in relation to tangible fixed assets for Research & Development facilities	8.11	24.48
3.26.2 Payments to Statutory auditor		
Statutory audit fees	22.02	21.06
Other services		
Others (including certification)	-	0.60
Reimbursement of expenses	0.58	0.53
	22.60	**22.19**
3.26.3 Corporate Social Responsibility (CSR)		
a. Amount required to be spent by the Company during the year	18.40	11.40
b. Amount of expenditure incurred on:		
i. Construction/acquisition of any asset	-	-
ii. On purposes other than (i) above	18.86	15.45
c. Shortfall at the end of the year	-	-
d. Total of previous year shortfalls	-	-
e. Reason for shortfall	-	-
f. Nature of CSR activities	Healthcare, Education, Community Development	
g. Details of related party transactions, e.g.,contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	All expenditure is dispersed through K T Chandy Seiichi Nitta Foundation	
h. Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	NIL	
3.27 Earnings per share (EPS) (basic and diluted)		
a) Profit after tax attributable to equity shareholders	2,659.70	1,790.44
b) Weighted average number of shares outstanding	9,079,160	9,079,160
c) Nominal value of shares (₹)	10	10
d) Basic earning per share (₹)	**29.29**	**19.72**
e) Number of equity shares used to compute diluted earnings per share	9,079,160	9,079,160
f) Diluted earnings per share (₹)	**29.29**	**19.72**
3.28 Assets pledged as security		
The carrying amounts of assets pledged as security for current and non-current borrowings are:		
Current		
First charge		
Financial assets		
Trade receivables	7,580.15	5,527.08
Cash and cash equivalents	14.70	69.99
Bank balances other than cash and cash equivalents	80.41	166.07
Other financial assets	119.45	265.42
Inventories	9,201.53	8,295.36
Other current assets	730.87	361.76
Total current assets pledged as securities	**17,727.11**	**14,685.68**
Non-current		
First charge		
Property, plant and equipment (PPE) and capital work-in-progress	10,890.95	10,958.26
Total non-current assets pledged as securities	**10,890.95**	**10,958.26**
Total assets pledged as security	**28,618.06**	**25,643.94**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.29 Disclosure of Related Party Transactions in accordance with Ind AS 24 - Related Party Disclosures

A. Related parties and nature of relationship

i.	Nitta Gelatin Inc.	Enterprise having substantial interest in the Company
ii.	Nitta Gelatin NA Inc.	Subsidiary of Nitta Gelatin Inc.
iii.	Nitta Gelatin Canada Inc.	Subsidiary of Nitta Gelatin Inc.
iv.	Bamni Proteins Ltd	Subsidiary Company
v.	K T Chandy Seiichi Nitta Foundation	Trust controlled by the Company
vi.	Kerala State Industrial Development Corporation	Enterprise having substantial interest in the Company
vii.	**Key Managerial Personnel**	
	Mr. Sajiv K. Menon	Managing Director (Till 31 March 2022)
	Mr. Philip Chacko M	Managing Director (From 1 April 2022)
	Dr. Shinya Takahashi	Whole Time Director
	Mr. A.P.M Mohamedhanish IAS	Non Executive Director (From 15 February 2022)
	Dr. K. Ellangovan IAS	Non Executive Director (Till 5 February 2022)
	Mr. S. Harikishore	Non Executive Director
	Mr. M.G. Rajamanickam IAS	Non Executive Director
	Mr. V. Ranganathan	Independent Director
	Mr. E. Nandakumar	Independent Director
	Mrs. Radha Unni	Independent Director
	Dr. Justice M. Jaichandren	Independent Director
	Mr.Yoichiro Sakuma	Independent Director

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.29 Disclosure of Related Party Transactions in accordance with Ind AS 24 - Related Party Disclosures *(cont'd.)*

B. Detail of Transactions:

Nature of Transaction	Subsidiary Company/Trust controlled by the Company		Enterprise having substantial interest in the Company and its Subsidiaries		Key Management Personnel		Total	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Sale and Income								
1 Sale of Goods								
Nitta Gelatin Inc	-	-	11,420.98	10,396.69	-	-	11,420.98	10,396.69
Nitta Gelatin NA Inc	-	-	6,950.71	5,677.65	-	-	6,950.71	5,677.65
2 Receipt for software license								
Bamni Proteins Ltd	3.48	-					3.48	-
3 Dividend income								
Bamni Proteins Ltd	175.00	332.50					175.00	332.50
4 Guarantee commission recovered								
Bamni Proteins Ltd	11.30	14.05	-	-	-	-	11.30	14.05
5 Support fee for services recovered								
Bamni Proteins Ltd	94.81	81.14	-	-	-	-	94.81	81.14
6 Reimbursement of Expenses								
Bamni Proteins Ltd	16.30	13.79	-	-	-	-	16.30	13.79
Purchase and Expenses								
1 Purchase of Goods:								
Bamni Proteins Ltd	1,530.90	2,457.86	-	-	-	-	1,530.90	2,457.86
Nitta Gelatin Inc			428.59	-			428.59	-
2 Commission expense:								
Nitta Gelatin Inc								
- For Sale of Gelatin	-	-	15.99	15.35	-	-	15.99	15.35
- For Sale of Peptide	-	-	2.97	0.78	-	-	2.97	0.78
3 Rent paid								
Bamni Proteins Ltd	1.20	1.20	-	-	-	-	1.20	1.20
4 Technical Assistance Fee:								
Nitta Gelatin Inc	-	-	19.76	21.07	-	-	19.76	21.07
5 Interest expense on External Commercial Borrowings								
Nitta Gelatin Inc	-	-	38.15	61.06	-	-	38.15	61.06
6 Interest expense on loans								
Kerala State Industrial Development Corporation			12.45	37.76			12.45	37.76
7 Reimbursement of Expenses (Net):								
Nitta Gelatin Inc	-	-	11.31	33.11	-	-	11.31	33.11
Bamni Proteins Ltd	13.21	18.03	-	-	-	-	13.21	18.03
8 Donations/Corporate Social Responsibility contribution								
K.T.Chandy Seiichi Nitta Foundation	18.86	12.03	-	-	-	-	18.86	12.03
9 Remuneration (Refer note a below)								
Mr. Sajiv K. Menon	-	-	-	-	181.80	111.15	127.65	111.15
Dr Shinya Takahashi	-	-	-	-	24.43	24.54	24.43	24.54
10 Sitting fees	-	-	-	-			-	-
Dr. K. Ellangovan IAS	-	-	-	-	0.50	1.00	0.50	1.00
Dr. Ranganathan M.	-	-	-	-	2.25	-	2.25	-
S. Harikishore	-	-	-	-	0.50	0.50	0.50	0.50
Dr. K. Cherian Varghese	-	-	-	-	-	1.75	-	1.75
Mr. E. Nandakumar	-	-	-	-	3.00	3.00	3.00	3.00
Mrs. Radha Unni	-	-	-	-	3.50	2.50	3.50	2.50
Mr. Justice M. Jaichandren (Retd.)	-	-	-	-	2.00	1.25	2.00	1.25
Mr. Yoichiro Sakuma	-	-	-	-	2.00	1.00	2.00	1.00
11 Guarantees given - Balance outstanding								
Bamni Proteins Ltd	-	535.81	-	-	-	-	-	535.81
12 Dividend paid on equity shares								
Nitta Gelatin Inc	-	-	117.01	97.51	-	-	117.01	97.51
Kerala State Industrial Development Corporation			85.87	71.56			85.87	71.56
13 Dividend on preference shares								
Nitta Gelatin Inc	-	-	119.37	119.18	-	-	119.37	119.18

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.29 Disclosure of Related Party Transactions in accordance with Ind AS 24 - Related Party Disclosures *(cont'd)*

Notes:
a) Remuneration paid to Managing Director for the year includes Gratuity and leave encashment paid out of liability funded/recognised in earlier years ₹ 54.15 Lakhs.

C. Balance outstanding as at year end:

Nature of Transaction	Subsidiary Company/ Trust controlled by the Company		Enterprise having substantial interest in the Company and its Subsidiaries		Total	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Investments						
1 *Bamni Proteins Ltd*	350.00	350.00	-	-	350.00	350.00
Receivables						
1 *Nitta Gelatin Inc*	-	-	2,038.67	1,502.00	2,038.67	1,502.00
2 *Nitta Gelatin NA Inc*	-	-	2,637.23	1,681.65	2,637.23	1,681.65
Payables						
1 *Bamni Proteins Ltd*	135.88	280.82	-	-	135.88	280.82
2 *Nitta Gelatin Inc*						
- Term loan	-	-	462.06	789.94	462.06	789.94
- Other payables	-	-	29.68	34.12	29.68	34.12
3 *Nitta Gelatin NA Inc*						
- Other payables	-	-	-	23.60	-	23.60
4 *Kerala State Industrial Development Corporation*						
- Term loan	-	-	-	257.38	-	257.38

D. Transaction with related parties

In accordance with the applicable provisions of the Income Tax Act, 1961, the Company is required to use certain specified methods in assessing that the transactions with the related parties , are carried out at the arm's length price and is also required to maintain prescribed information and documents to support such assessment. The appropriate method to be adopted will depend on the nature of transactions/ class of transactions, class of associated persons, functions performed and other factors as prescribed. Based on certain internal analysis carried out, management believes that transactions entered into with the related parties were carried out at arm's length prices. The Company is in the process of updating the transfer pricing documentation for the financial year ended 31 March 2022. In the opinion of the management, the same would not have an impact on these financial statements. Accordingly, the financial statements do not include the effect of the transfer pricing implications, if any.

3.30 Segment Information

The Company is engaged in the manufacture and sale of products which form part of one product group which represents one operating segment, as the Chief Operating Decision Maker (CODM), reviews business performance at an overall company level. Entity-wide disclosure as required by Ind AS 108 "Operating Segment" are as follows:

(i) Revenues from external customers for each product or each group of similar products:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Sales of products	41,254.06	34,815.09
	41,254.06	**34,815.09**

(ii) Revenues from external customers attributed to the Company's country of domicile and attributed to all foreign countries from which the Company derives revenues:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
India	20,347.39	15,861.18
Outside India	20,906.67	18,953.91
	41,254.06	**34,815.09**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

(iii) Non-current assets (other than financial instruments non-current tax and deferred tax assets) located in the Company's country of domicile and in all foreign countries in which the Company holds assets:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
India	11,846.14	11,606.74
Outside India	-	-
	11,846.14	**11,606.74**

(iv) The following table gives details in respect of percentage of revenues generated from top customer and revenues from transactions with customers amounts to 10 percent or more of Company's revenues from product sale:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from top customer	11,420.98	10,396.69
Revenue from customers contributing 10% or more to the Company's revenues from product sale	24,217.95	21,221.62

3.31 Provisions, Contingent liabilities and Commitments

3.31.1 Provisions

Nature of Provision	As at 1 April 2021	Additional Provision during the year	Amounts used/ charged during the year	Unused amounts reversed	As at 31 March 2022
Provision for Central Excise Duty	132.29	-	-	-	132.29
[refer note 3.31.1(i)]	(132.29)	-	-	-	(132.29)
Provision for Central Sales Tax	28.74	-	-	-	28.74
[refer note 3.31.1(ii)]	(28.74)	-	-	-	(28.74)
Provision for Water Cess	61.83	-	-	-	61.83
[refer note 3.31.2(iv)]	(61.83)	-	-	-	(61.83)

(Figures in brackets represents corresponding figure for the previous financial year)

3.31.1(i) Central Excise authorities have issued show cause notices proposing to withdraw CENVAT credit availed by the Company on Hydrochloric Acid used in the manufacture of Ossein consumed for Gelatin production amounting to ₹ 350.75 Lakhs (31 March 2021: ₹ 350.75 Lakhs) which has been disputed by the Company. Though no demand has been raised by the department, based on legal advice received, the company has created a provision of ₹ 132.29 Lakhs (31 March 2021: ₹ 132.29 Lakhs) as a matter of prudence and the balance amount of ₹ 218.45 Lakhs (31 March 2021: ₹ 218.45 Lakhs) has been disclosed as a contingent liability.

3.31.1(ii) The Central Sales Tax authorities had raised demand on assessment for an earlier year amounting to ₹ 28.74 Lakhs (31 March 2021: ₹ 28.74 Lakhs) which has been disputed in appeal. Though the management is of the opinion that these demands are not fully sustainable, provision has been created in the accounts for the aforesaid amount as a matter of prudence.

3.31.2 Contingent Liabilities not provided for:

	As at 31 March 2022	As at 31 March 2021
1. Claims against the Company not acknowledged as debts:		
a. Income tax [Refer note 3.31.2(i)]	167.61	167.61
b. Sales tax [Refer note 3.31.2(ii)]	754.58	776.09
c. Excise duty and service tax [Refer note 3.31.1(i) and 3.31.2.(iii)]	303.88	300.50
d. Water cess [Refer note 3.31.2(iv)]	-	653.01
e. Customs duty (Refer note 3.31.3)	1,968.36	1,968.36
2. Counter guarantee issued in favour of bankers	48.22	560.74
3. Counter guarantee issued in favour of bankers on behalf of Subsidiary Company		
a. Bamni Proteins Limited. - Amount outstanding	-	535.81
Amount of Guarantee - Nil (31 March 2021: ₹ 535.81 Lakhs)		
	3,242.65	**4,962.12**

3.31.2(i) The Income tax authorities has made certain disallowances on assessments completed for earlier years, which are pending on appeal before the appellate authority. In the opinion of the management no provision is considered necessary for the same at this stage.

The Company has received tax orders from the Income tax authorities reducing brought forward losses (including unabsorbed depreciation) amounting to ₹ 930.16 Lakhs (31 March 2021: ₹ 928.71 Lakhs), primarily on denial of certain expenditure upon completion of tax assessment for the assessment years 2006-07, 2007-08, 2008-09, 2012-13, 2013-14, 2014-15 and 2015-16. There is no tax demand on account of the above. The Company's appeal against the said demands are pending before appellate authorities in various stages of litigation. Further, the Company has received tax orders from the transfer pricing authorities reducing brought forward losses (including unabsorbed depreciation) amounting to ₹ 512.07 Lakhs (31 March 2021: ₹ 512.07 Lakhs), primarily on transfer pricing adjustments upon completion of tax assessment for assessment years 2006-07, 2007-08 and 2008-09. There is no tax demand on account of the above. The Company's appeal against the said demands are pending before appellate authorities in various stages of litigation. The Company is contesting these litigations and the management believes that its position will be likely to be upheld in the appellate process and therefore will not impact these financial statements. Consequently no provision has been created in the financial statements for the above.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.31.2(ii) The sales tax authorities had raised demands on assessment for some earlier years amounting to ₹ 754.58 Lakhs (31 March 2021: ₹ 776.09 Lakhs) (net of bank guarantees), excluding interest on demand not quantified by the management, which had been disputed by the Company on appeal. Based on legal advice, no provision is considered necessary towards the said demands and the amount involved is disclosed as contingent liability.

3.31.2(iii) Includes demands raised by the Central Excise Authorities (including penalty thereon but excluding interest) for higher excise duties on a product of the Company and towards cenvat credits availed aggregating to ₹ 7.21 Lakhs (31 March 2021: ₹ 7.21 Lakhs) which have been disputed by the Company before the appellate authorities; and show cause notices received from such authorities for service tax on certain deemed services and ineligible cenvat credit availed aggregating to ₹ 78.22 Lakhs (31 March 2021: ₹ 74.84 Lakhs), which have been represented before adjudicating authorities. In the opinion of the management these demands/ show cause notices issued are not sustainable, so no provision is considered at this stage.

3.31.2(iv) During an earlier year, an amount of ₹ 714.84 Lakhs was demanded as water cess for extraction of river water for industrial use during the period from 1 April 1979 to 31 December 2010, in accordance with a Government Order issued on 25 July 2009. During the year Company's writ petition was allowed by the Honorable High Court of Kerala, by observing that Article 265 of the Constitution of India provide that no tax shall be levied or collected except by the authority of law, tax, duty, cess or fee levied by the State Government to raise revenue. This power could be exercised only under any law authorising levy and collection of tax as envisaged under Article 265.

A provision of ₹ 61.83 Lakhs towards disputed charges for the period from 25 July 2009 to 31 December 2010, being periods subsequent to issue of the Government order, was made in the accounts in an earlier year as a matter of prudence.

3.31.3 The customs authorities have issued show cause notice-cum-demand proposing classify/reassess import of a certain item of raw materials, which has been objected by the Company. During an earlier year, the Commissioner of Customs had issued an order confirming demand of ₹ 877.15 Lakhs along with a penalty of ₹ 1,091.21 Lakhs. The Company has filed appeal before the appellate authorities which is pending for disposal at this stage. As per the independent legal advice, the proposal of the department is legally incorrect and the matter has not reached finality as the appellate proceedings are pending for adjudication and hence no provision is considered necessary at this stage.

3.32 Commitments

3.32.1 Estimated amount of contracts remaining to be executed on capital account ₹ 441.84 Lakhs (31 March 2021: ₹ 125.57 Lakhs)

3.33 In respect of raw materials imported during the financial year 2016-17 at concessional rate of duty under the Advance Authorisation Scheme, the Company has fulfilled the export obligation which is required to be fulfilled as per the Licensing Norms and has settled the differential duty along with Interest for the portion of raw material which is used for domestic market requirements. However for certain portion of the material exported, the advance license number was not endorsed in the shipping bill due to oversight. The Company is in the process of getting the endorsement effected by Customs Department for the exports so effected. The company's, application for endorsement of Advance Authorisation Number in the shipping bill for exports is pending for disposal before the Customs Authorities at this stage. Since the Company's dispute on classification/reassessment of the raw material is pending for adjudication before the Appellate Tribunal and based on the legal advice received, the Company is hopeful of a favourable decision. As on 31 March 2022 the Company has created a provision of ₹ 68.28 Lakhs towards the duty along with applicable interest on the same as a matter of prudence.

3.33.1 In addition to 3.33 above , the Company has export obligation of ₹ 7,886.80 Lakhs (31 March 2021: ₹ 4,758.61 Lakhs) on account of advance Authorisation Scheme and ₹ 135. 18 Lakhs (31 March 2021: ₹ 65.98 Lakhs) under the Export Promotion Capital Goods (EPCG) laid down by the Government of India. The Company expects to fulfil the obligation in due course of time.

3.34 In the opinion of the management, Current financial assets and Other current assets, have the value at which they are stated in the Balance Sheet, if realised in the ordinary course of business.

3.35 Leases

Rental expense recorded for short-term leases during the year ended 31 March 2022 is ₹ 32.46 Lakhs (31 March 2021: ₹ 35.95 Lakhs).

The Company's significant leasing arrangements, other than land, are in respect of office premises and warehouses taken on lease for which rent expenses has been charged in the statement of profit and loss. The arrangements generally range between 4 months to 11 months and are usually renewable by mutual consent on mutually agreeable terms. Under these arrangements, generally refundable interest free deposits have been given.

The Company's lease asset classes consist of leases for land, refer note 3.01 to the financial statements. The Company has not entered into any other material lease arrangements.

3.36 Income Tax

The major components of income tax expense are:

	Year ended 31 March 2022	Year ended 31 March 2021
Current income tax:		
Current income tax charge	1,124.00	453.00
Minimum Alternate tax	-	(203.00)
Relating to the origination and reversal of temporary differences	(22.64)	393.21
Income tax expense reported in Statement of Profit and Loss	**1,101.36**	**643.21**
Deferred tax related to items recognised in OCI		
Income tax relating to re-measurement gains on defined benefit plans	(52.86)	(39.31)
Income tax relating to measurement of financial assets through OCI	1.14	1.46
Income tax relating to (loss) / gain on cash flow hedges	(41.75)	213.47
	(93.47)	**175.62**

The management has decided not to opt for the concessional tax rate under Sectin 115 BAA of the Taxation Laws (Amendment) Ordinance, 2019, in view of the minimum alternate tax credit carried by the Company in the tax books.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

Reconciliation of deferred tax liability (net)	**As at 31 March 2022**	**As at 31 March 2021**
Opening balance of deferred tax liability	155.09	(210.74)
Tax credit/(expense) during the year recognized in statement of profit and loss	(22.64)	393.21
MAT Credit	-	(203.00)
MAT Credit Utilisation	489.97	-
Tax credit/(expense) during the year recognised in OCI	(93.47)	175.62
Closing balance of deferred tax liability	**528.95**	**155.09**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Accounting profit before tax and exceptional item	**3,761.06**	**2,433.65**
Tax on accounting profit at statutory income tax rate of 29.12% (31 March 2021 : 29.12%)	1,095.22	708.68
Tax effect of:		
Non deductible expenses	5.77	11.75
Tax incentives and exempt income	(51.01)	(96.91)
Others	51.38	19.69
Tax expense recognised in the Statement of profit and loss	**1,101.36**	**643.21**

There are no unrecognised deferred tax assets as on 31 March 2022.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.37 A.Defined benefit plan

The Company has gratuity fund for its employees. The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity at the rate of 15 days basic salary for each year of service until the retirement age. As at 31 March 2022 and 31 March 2021 the plan assets were invested in insurer managed funds.

The following tables set out the funded status of gratuity plans and the amount recognized in Company's financial statements:

	Particulars	As at/Year Ended 31 March 2022	As at/Year Ended 31 March 2021
1	**The amounts recognized in the Balance Sheet are as follows:**		
	Present value of the obligation as at the end of the year	1,125.87	896.66
	Fair value of plan assets as at the end of the year	(875.00)	(756.51)
	Net liability recognized in the Balance Sheet	**250.87**	**140.15**
2	**Changes in the present value of defined benefit obligation**		
	Defined benefit obligation as at beginning of the year	896.66	765.22
	Current service cost	65.56	54.87
	Interest cost	56.40	52.76
	Actuarial losses/(gains) arising from		
	- change in financial assumptions	181.52	134.98
	- experience variance (i.e. actual experiences assumptions)	-	-
	Benefits paid	(74.27)	(111.17)
	Defined benefit obligation as at the end of the year	**1,125.87**	**896.66**
3	**Changes in the fair value of plan assets**		
	Fair value as at the beginning of the year	756.51	714.16
	Expected return on plan assets	52.19	53.52
	Actual return on plan assets over expected interest	-	-
	Contributions	140.57	100.00
	Benefits paid	(74.27)	(111.17)
	Fair value as at the end of the year	**875.00**	**756.51**
	Description of Plan Assets		
	Insurer Managed Funds (LIC of India)	875.00	756.51
	Assumptions used in the above valuations are as under:		
	Discount rate	7.51%	7.04%
	Expected rate of increase in compensation level	5.84%	5.5%
	Attrition rate	4%	4%
	Superannuation age	58	58
	Mortality	Indian Assured Lives Mortality [1994-96] Ultimate	
4	**Net gratuity cost for the year ended 31 March 2022 and 31 March 2021 comprises of following components:**		
	Current service cost	65.56	54.87
	Net interest cost on the net defined benefit liability	4.21	(2.63)
	Net defined benefit expense debited to statement of profit and loss	**69.77**	**52.24**
5	**Remeasurement (gain)/loss recognised in other comprehensive income**		
	Change in financial assumptions	(181.52)	(134.98)
	Experience variance (i.e. actual experience vs assumptions)	-	-
	Change in demographic assumptions	-	-
	Recognized in other comprehensive income	**(181.52)**	**(134.98)**

3.37 B. Defined contribution plan

The Company provides benefits in the nature of defined contribution plans viz, provident fund, employee state insurance scheme and superannuation fund for qualifying employees. Under these Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 293.86 Lakhs (31 March 2021: ₹ 257.84 Lakhs) towards contribution for mentioned funds in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.

C. Sensitivity analysis

Description of Risk Exposures

Valuations are performed on certain basic set of pre-determined assumptions which may vary over time. Thus, the Company is exposed to various risks in providing the above benefit which are as follows:

Interest Rate Risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of liability (as shown in financial statements).

Liquidity Risk: This is the risk that the Company is not able to meet the short term benefit payouts. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Salary Escalation Risk: The present value of the above benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

value of obligation will have a bearing on the plan's liability.

Demographic Risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Regulatory Risk: Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (for example, increase in the maximum liability on gratuity of ₹ 2,000,000).

Asset Liability Mismatching or Market Risk: The duration of the liability is longer compared to duration of assets exposing the company to market risks for volatilities/fall in interest rate.

Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.
Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Increase/(decrease) on present values of defined benefits obligations at the end of the year:

Particulars	Year ended 31 March 2022		Year ended 31 March 2021	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Discount Rate (- / + 1%)	(83.77)	96.48	(65.99)	76.05
Salary Growth Rate (- / + 1%)	94.18	(84.44)	75.45	(66.56)
Attrition rate (- / + 1%)	0.97	(0.97)	1.98	(2.14)

Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There are no changes from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

There is no change in the method of valuation for the prior period.

3.38 Fair value measurements

(i) Financial instruments by category

The carrying value and fair value of financial instruments by categories as of 31 March 2022 were as follows:

Particulars	Notes	Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVOCI
Assets:				
Investments	3.03	350.00	-	99.68
Cash and cash equivalents	3.09	14.70	-	-
Bank balances other than cash and cash equivalents	3.10	80.41	-	-
Trade receivable	3.08	7,580.15	-	-
Loans	3.04	6.69	-	-
Other financial assets	3.05			
Security deposits		372.77	-	-
Earmarked balances with banks for unpaid dividend		15.91	-	-
Advances recoverable in cash or in kind		72.88	-	-
Hedge asset (foreign exchange forward contract)		-	29.49	-
Interest receivable		9.97	-	-
Others		5.98	-	-
Total		**8,509.46**	**29.49**	**99.68**
Liabilities:				
Borrowings	3.13	7,965.44	-	-
Trade payable	3.15	1,887.69	-	-
Other financial liabilities	3.16			
Unpaid dividend		15.91	-	-
Interest accrued but not due on borrowings		3.04	-	-
Employee related liabilities		389.18	-	-
Others		19.45	-	-
Total		**10,280.71**	**-**	**-**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.38 Fair value measurements (Contd.)

The carrying value and fair value of financial instruments by categories as of 31 March 2021 were as follows:

Particulars	Notes	Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVOCI
Assets:				
Investments	3.03	350.00	-	94.20
Cash and cash equivalents	3.09	69.99	-	-
Bank balances other than cash and cash equivalents	3.10	166.07	-	-
Trade receivable	3.08	5,527.08	-	-
Loans	3.04	8.23	-	-
Other financial assets	3.05			
Security deposits		380.59	-	-
Earmarked balances with banks for unpaid dividend		13.84	-	-
Advances recoverable in cash or in kind		75.06	-	-
Hedge asset (foreign exchange forward contract)		-	172.85	-
Interest receivable		8.86	-	-
Others		5.94	-	-
Total		**6,605.66**	**172.85**	**94.20**
Liabilities:				
Borrowings	3.13	7,472.57	-	-
Trade payable	3.15	2,390.00	-	-
Other financial liabilities	3.16			
Unpaid dividend		13.84	-	-
Interest accrued but not due on borrowings		2.24	-	-
Creditors for capital goods		4.32	-	-
Employee related liabilities		320.86	-	-
Others		19.22	-	-
Total		**10,223.05**	**-**	**-**

The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, other financial assets, trade payables, working capital loans and other financial liabilities approximate the carrying amount largely due to short-term maturity of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(ii) Fair value of financial assets and liabilities measured at amortised cost

The management assessed that for amortised cost instruments, fair value approximate largely to the carrying amount.

(iii) Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: the fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

a) Assets and liabilities measured at fair value - recurring fair value measurement

As at 31 March 2022	Notes	Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Non current investments	3.03	20.78	-	78.90	99.68
Derivatives designated as cash flow hedges					
Foreign exchange forward contracts	3.05	-	29.49	-	29.49

As at 31 March 2021	Notes	Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Non current investments	3.03	15.30	-	78.90	94.20
Derivatives designated as cash flow hedges					
Foreign exchange forward contracts	3.05	-	172.85	-	172.85

Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The valuation techniques uses the exchange rates provided by banks for revaluation of balance in forward contracts as on the reporting dates.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

(iv) Valuation technique used to determine fair value
Specific valuation techniques used to value financial instruments include:
- the fair value of quoted investments is determined using the market value for the investment. The fair value estimates are included in level 1.
- the fair value of foreign exchange forward contracts is determined using market observable inputs, including prevalent forward rates for the maturities of the respective contracts and interest rate curves as indicated by banks and third parties.
- the fair value of other equity instruments have been computed based on income approach using a discounted cash flow model, which discounts the estimated cash flows using the appropriate discount rates.

3.39 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on it's financial performance. The primary market risk to the Company is foreign exchange exposure risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

The Company's risk management activity focuses on actively securing the Company's short to medium-term cash flows by minimizing the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed are described below.

(A) Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company, resulting in a financial loss. The Company is exposed to this risk for various financial instruments. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets, as summarised below:

Assets under credit risk	As at 31 March 2022	As at 31 March 2021
Trade receivable	7,580.15	5,527.08
Loans to employees	6.69	8.23
Security deposit	372.77	380.59
Earmarked balances with banks for unpaid dividend	15.91	13.84
Advances recoverable in cash or in kind	72.88	75.06
Interest receivable	9.97	8.86
Hedge asset	29.49	172.85
Investments	449.68	444.20
Cash and cash equivalents	14.70	69.99
Other bank balances	80.41	166.07
Others	5.98	5.94
	8,638.63	**6,872.71**

A1 Trade and other receivables
Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India, USA, Japan and Europe. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company is exposed to a concentration of customer risk with respect to its trade receivable balances. At the reporting date, trade receivable balance from three customer represented 68 % (2021 - 72 %) of the total trade receivable balances, respectively. On account of adoption of Ind AS 109, Financial Instruments, the Company uses expected credit loss model to assess the impairment loss or gain. The provision for expected credit loss takes into account available external and internal credit risk factors and Company's historical experience for customers.

Movement in loss allowance

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning	33.05	45.05
Impairment loss recognised	-	-
Impairment loss reversed	-	(12.00)
Balance at the end	**33.05**	**33.05**

31 March 2022

Expected credit loss for trade receivables under simplified approach

Ageing	Not Due	0-90 Days	90-180 days	180-270 days	270-360 days	More than 360 days
Gross Carrying Amount	6,845.59	760.60	2.11	-	-	4.90
Expected Loss Rate	0.27%	1.19%	39.38%	78.75%	100%	100%
Expected Credit Loss (Loss allowance)	18.26	9.06	0.83	-	-	4.90
Carrying Amount of Trade Receivables (net of impairment)	6,827.33	751.54	1.28	-	-	-

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

31 March 2021

Expected credit loss for trade receivables under simplified approach

Ageing	Not Due	0-90 Days	90-180 days	180-270 days	270-360 days	More than 360 days
Gross Carrying Amount	5,256.54	288.83	4.50	-	-	10.26
Expected Loss Rate	0.33%	1.28%	37.50%	75.00%	100%	100%
Expected Credit Loss (Loss allowance)	17.40	3.70	1.69	-	-	10.26
Carrying Amount of Trade Receivables (net of impairment)	5,239.14	285.13	2.81	-	-	-

A2 Cash and cash equivalents

The credit risk for cash and cash equivalents and derivative financial instruments is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Financial assets that are neither past due nor impaired

Cash and cash equivalents, advances recoverable, loans and advances to employees, security deposit and other financial assets are neither past due nor impaired.

Financial assets that are past due but not impaired

There is no other class of financial assets that is past due but not impaired.

(B) Liquidity risk

Liquidity risk is that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, usually on a month on month basis. Long-term liquidity needs for a 360-day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

The Company's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Company's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

Maturities of financial liabilities

As at 31 March 2022	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	7,289.58	675.86	-	7,965.44
Trade payable	1,887.69	-	-	1,887.69
Other financial liabilities	427.58	-	-	427.58
Total	**9,604.85**	**675.86**	**-**	**10,280.71**

As at 31 March 2021	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	5,163.18	1,924.31	385.08	7,472.57
Trade payable	2,390.00	-	-	2,390.00
Other financial liabilities	360.48	-	-	360.48
Total	**7,913.66**	**1,924.31**	**385.08**	**10,223.05**

(C) Market risk

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk and interest rate risk, which result from both its operating and investing activities.

C1 Foreign currency Risk

The Company operates internationally and a significant portion of the business is transacted in USD, Japanese Yen (JPY) and EURO currencies and consequently the Company is exposed to foreign exchange risk through its sales and purchases from overseas suppliers in various foreign currencies. The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are adversely affected as the rupee appreciates/ depreciates against these currencies.

Foreign currency denominated financial assets and liabilities which expose the Company to currency risk are disclosed below. These include outstanding derivatives contracts entered into by the Company and unhedged foreign currency exposures.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars		As at 31 March 2022		As at 31 March 2021	
Included In	**Currency**	**Amount in foreign currency in Lakhs**	**Amount in ₹**	**Amount in foreign currency in Lakhs**	**Amount in ₹**
Financial assets					
Trade receivables	USD EURO	64.60 0.07	4,858.56 6.22	43.78 1.09	3,195.92 92.37
Financial liabilities					
Trade payables	USD Japanese YEN	0.42 13.50	31.72 8.46	1.00 27.00	73.73 18.13
Current borrowings	USD EURO	31.12 -	2,370.21 -	49.58 1.99	3,664.50 173.70

Conversion rates	Financial Assets		Financial Liabilities		
	USD	EUR	USD	EUR	JPY
As at 31 March 2022	75.21	88.86	76.16	-	0.63
As at 31 March 2021	73.00	84.74	73.91	87.29	0.67

Sensitivity

The following table details the Company's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where ₹ strengthens 1% against the relevant currency. For a 1% weakening of ₹ against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

Impact on profit after tax	Increase 31 March 2022	Decrease 31 March 2022	Increase 31 March 2021	Decrease 31 March 2021
Sensitivity				
INR/USD	11.70	(11.70)	(0.05)	0.05
INR/EURO	0.06	(0.06)	(0.76)	0.76
INR/YEN	(0.09)	0.09	(0.18)	0.18

Impact on other components of equity	Increase 31 March 2022	Decrease 31 March 2022	Increase 31 March 2021	Decrease 31 March 2021
Sensitivity				
INR/USD	(129.87)	129.87	(109.01)	109.01

There has not been any change in the method and assumptions used for sensitivity analysis as compared to previous period.

Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or in directly observable in the marketplace.

The following table gives details in respect of outstanding foreign exchange forward contracts

Particulars	31 March 2022	31 March 2021
Forward Contracts		
In USD (Lakhs)	165.50	145.43

The foreign exchange forward contracts mature within twelve months. The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as of the Balance Sheet date:

Particulars	31 March 2022 In USD Lakhs	31 March 2021 In USD Lakhs
Not later than one month	12.50	12.20
Later than one month and not later than three months	28.50	21.40
Later than three months and not later than a year	124.50	111.83

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

a) Disclosure of effects of hedge accounting on financial position
31 March 2022

Type of hedge	Nominal value	Carrying amount	Maturity date	Weighted average strike rate	Change in intrinsic value of instruments since inception of hedge	Change in the value of hedged item used to determine hedge ineffectiveness
Cash flow hedge						
Foreign exchange forward contracts	12,447	29.49	April 2022- March 2023	1 USD = 77.436 INR	(143.36)	-

31 March 2021

Type of hedge	Nominal value	Carrying amount	Maturity date	Weighted average strike rate	Change in intrinsic value of instruments since inception of hedge	Change in the value of hedged item used to determine hedge ineffectiveness
Cash flow hedge						
Foreign exchange forward contracts	10,616	172.85	April 2021- March 2022	1 USD = 75.059 INR	733.08	-

b) Disclosure of effects of hedge accounting on financial performance
31 March 2022

Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Foreign exchange forward contracts	(143.36)	-	-	Not applicable

31 March 2021

Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Foreign exchange forward contracts	733.08	-	-	Not applicable

C2 Interest rate risk

(i) Liabilities

The Company's policy is to minimize interest rate cash flow risk exposures on long-term financing. At 31 March 2022, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company's investments in fixed deposits pay fixed interest rates.

Interest rate risk exposure
Below is the overall exposure of the Company to interest rate risk:

Particulars	As at 31 March 2022	As at 31 March 2021
Variable rate borrowing	2,751.15	2,895.39
Fixed rate borrowing	-	-
Total borrowings	**2,751.15**	**2,895.39**
Amount disclosed under other current borrowings	2,075.29	586.00
Amount disclosed under non-current borrowings	675.86	2,309.39

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

Sensitivity

Below is the sensitivity of profit or loss in interest rates.

Particulars	31 March 2022	31 March 2021
Interest sensitivity		
Interest rates – increase by 100 basis points (100 bps)	27.51	28.95
Interest rates – decrease by 100 basis points (100 bps)	(27.51)	(28.95)

(ii) Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

C3 Equity price risk

The Company's listed securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The investment in listed and unlisted equity securities are not significant.

3.40 Capital management

For the purpose of the Company's capital management, capital includes issued capital, additional paid up capital and all other equity reserves attributable to the equity holders of the company. The primary objective of the Company's capital management is to maximize the shareholder value.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade payables, less cash and bank balances.

Particulars	As at 31 March 2022	As at 31 March 2021
Long term borrowings	675.86	2,309.39
Current maturities of long term borrowings	2,075.29	586.00
Short term borrowings	5,214.29	5,163.18
Trade payables	1,887.69	2,390.00
Less: Cash and cash equivalents	(14.70)	(69.99)
Less: Bank balances other than cash and cash equivalents	(80.41)	(166.07)
Net debt	**9,758.02**	**9,626.51**
Equity	907.92	907.92
Other equity	17,563.76	15,402.36
Capital and net debt	**28,229.70**	**25,936.79**
Gearing ratio	**34.57%**	**37.12%**

3.41 Business Combinations

Pursuant to the Scheme of Merger and Amalgamation (the "Scheme") under Section 230-232 of the Companies Act, 2013 , duly approved by the Hon'ble National Company Law Tribunal, Chennai Bench by the Order dated 27 March 2019, erstwhile subsidiary company, M/S. Reva Proteins Limited (the "Transferor Company") was merged with the Company with effect from 1 April 2017. Accordingly, all the assets and liabilities of the Transferor Company were transferred to and vested in the Company, on a going concern basis with effect from the appointed date (1 April 2017). During the year, the title deeds of Leasehold and Freehold Land which was in the name of erstwhile M/S. Reva Proteins Limited has been transferred in the name Nitta Gelatin India Limited (Company). The Company is in the process of completing other statutory registrations.

3.42 Events after the Balance sheet date

The Board of Directors have recommended a final dividend of ₹ 4 per share to be paid on equity shares of ₹ 10/- each. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all shareholders on the Register of Members. Dividends will be taxed in the hands of receipient, hence there will be no liability in the hands of Company.

3.43 Disclosure pursuant to Securities (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013

The details of loans, guarantees and investments under Section 186 of the Companies Act read with the Companies (Meeting of Board and its powers)rules 2014 are as follows;-

i) Details of investments are given in note 3.03.

ii) Details of loans given are - Nil

iii) Details of guarantees given are as follows :-

Name of the Party	Relationship	Amount outstanding as at 31 March 2022	Amount outstanding as at 31 March 2021
Bamni Proteins Ltd.	Subsidiary Company	-	535.81

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.44 The market for Gelatin, Collagen peptide and DCP continues to be robust. Due to COVID-19 restrictions, availability of one of the major raw materials, Crushed Bone, for the gelatin industry continues to be lower than demand whereby the price remains at a very high level and with little attention to quality by many of the suppliers. Due to this, the gross profit margin is lower as compared to the pre-COVID-19 times. In the opinion of the management, this mismatch between demand and supply is likely to ease in future though quality issues are likely to continue for some time. In financial planning, the Company has taken into account the possible impact of COVID-19 on the operations of the Company, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets and impact on revenues and costs. The Company has been able to effectively manage the operations till now with appropriate safety precautions, with minimal impact of COVID-19 on the plant operations. The Company will continue to closely monitor future developments and take appropriate measures to minimise any adverse impact on the profit margin and to ensure business continuity.

3.45 Key Ratios

Particulars	As at 31 March 2022	As at 31 March 2021	Variance
Current Ratio	1.53	1.53	0%
Debt-Equity Ratio	0.43	0.42	2%
Debt Service Coverage Ratio	5.32	3.52	51%
Return on Equity Ratio	0.14	0.10	34%
Inventory turnover Ratio	4.72	4.19	13%
Trade Receivables Turnover Ratio	6.17	8.29	-26%
Trade payables Turnover Ratio	22.30	16.21	38%
Net capital Turnover Ratio	7.35	10.37	-29%
Net profit Ratio	0.06	0.05	25%
Return on Capital Employed	0.21	0.15	37%
Return on Investment	0.39	0.75	-48%

Items included in above ratios

Particulars	Formula (Numerator/ Denominator)	Remarks for 25% change
Current Ratio	Current Assets/Current Liabilities	NA
Debt-Equity Ratio	Total Debt/Shareholder's Equity	NA
Debt Service Coverage Ratio	Earnings available for debt service/Debt Service (Debt service = Interest & Lease Payments + Principal Repayments)	There is a 27% increase in net operating income and considerable repayments made during last year itself.
Return on Equity Ratio	Net Profits after taxes/Average Shareholder's Equity	There is a 49% increase in PAT, hence the increase in ROE
Inventory turnover Ratio	Sales/Average Inventory	NA
Trade Receivables Turnover Ratio	Credit Sales/Average Accounts Receivable	Though the increase in sales is 18%, the overall increase in debtors is 37% resulting in net reduction in receivable ratio.
Trade payables Turnover Ratio	Purchases/Average Trade Payables	Though the net purchases increased, the outstanding payables decreased resulting in increase in payable ratio.
Net capital Turnover Ratio	Net Sales/Working Capital	Average working capital has shown a huge increase due to surge in receivable and inventory balances resulting in overall decline in ratio.
Net profit Ratio	Net Profit/Net Sales	49% increase in PAT resulting in increased NP ratio
Return on Capital Employed	Earnings before interest and taxes/Capital Employed Capital employed = Total Assets-Current Liabilities	EBIT increased by 45% resulting in overall increase in ROCE
Return on Investment	Dividend Received/Total Investments	Reduction in dividend received from Bamni

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.45.1 a) As per the information available with the Company, the Company has no transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

b) There has been no charges or satisfaction yet to be registered with ROC beyond the statutory period.

c) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall

1) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries).

2) provide any guarante, security or the like on behalf of the ultimate beneficiaries. The Company has not received any fund from any persons or entities, including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the company shall

1) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

2) provided any guarantee, security or the like on behalf of the ultimate beneficiaries.

d) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year ended March 31, 2022.

e) The title deeds of all the immovable properties held by the Company disclosed in the financial statements are held in the name of the Company.

f) The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken.

g) The Company has complied with the number of layers prescribed under the Section 2(87) of the Companies Act, 2013 read with Companies (Restriction on number of layers) Rules, 2017.

h) No loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013) either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.

3.46 No proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

3.47 The Company has not been declared as a wilful defaulter by any bank or financial Institution or other lender during the period.

3.48 The Company does not have any surrendered or undisclosed income during the year in the tax assessments under the Income Tax Act, 1961.

3.49 Prior year comparatives have been regrouped/reclassified where necessary to conform with the current period/year classification.

This is the summary of accounting policies and other explanatory information referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

Krishnakumar Ananthasivan
Partner
Membership No.: 206229

Place: Kochi
Date: 6 May 2022

For and on behalf of the Board of Directors of Nitta Gelatin India Limited

Philip Chacko M
Managing Director
DIN : 01219764

E. Nandakumar
Director
DIN : 01802428

Sahasranaman P.
Chief Financial Officer

G. Rajesh Kurup
Company Secretary

Independent Auditor's Report

To the Members of Nitta Gelatin India Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Nitta Gelatin India Limited ('the Holding Company') and its subsidiary, Bamni Proteins Limited (the Holding Company and its subsidiary together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March 2022, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matters
(a) **Provisions and contingent liabilities relating to litigations** (Refer note 2.30 of the accompanying consolidated financial statements): Following are the significant matters relating to litigations that are outstanding as at 31 March 2022: i. Customs duty: INR 1,968.36 Lakhs ii. Other tax matters: INR 1,226.07 Lakhs The eventual outcome of these legal proceedings is dependent on the outcome of future events and unexpected adverse outcomes could significantly impact the Group's reported profits and balance sheet position. The amounts involved are material and the application of accounting principles as given under Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets, in order to determine the amount to be recorded as a liability or to be disclosed as a contingent liability, in each case, is inherently subjective, and needs careful evaluation and judgement to be applied by the management. Key judgments are also made by the management in estimating the amount of liabilities, provisions and/ or contingent liabilities related to aforementioned litigations. Considering the degree of judgment, significance of the amounts involved, inherent high estimation uncertainty and reliance on external legal and tax experts, this matter has been identified as a key audit matter for the current year audit.	Our audit work included, but was not limited to the following procedures: • Obtained an understanding of the management process for: - identification of legal and tax matters initiated against the Holding Company, - assessment of accounting treatment for each such litigation identified under Ind AS 37 accounting principles, and - measurement of amounts involved. • Evaluated the design and tested the operating effectiveness of key controls around above process. • Obtained an understanding of the nature of litigations pending against the Holding company and discussed the key developments during the year for key litigations with the management and respective legal counsels handling such cases on behalf of the Holding company. Tested the independence, objectivity and competence of such management experts involved. • On a sample basis, obtained and reviewed the necessary evidence which includes correspondence with the external legal counsels and where necessary, inspected minutes of case proceedings available in public domain, to support the decisions and rationale for creation of provisions and/or disclosure of contingent liabilities in respect of each such litigation selected for testing. • Obtained independent opinion/confirmations directly from the external legal counsels to confirm management's assessment of outstanding litigation and asserted claims. • Reviewed each attorney response obtained as above to ensure that the conclusions reached are supported by sufficient legal rationale and adequate information is included for the management to determine the appropriate accounting treatment of such cases in the financial statements. • Assessed the appropriateness of methods used, and the reliability of underlying data for the underlying calculations made for quantifying the amounts involved. Tested the arithmetical accuracy of such calculations. • Involved our tax specialists to assess the Holding Company's interpretation and application of relevant tax laws to evaluate the appropriateness of key assumptions used and the reasonableness of estimates in relation to uncertain tax positions, taking into account past precedents. • Evaluated the disclosures made under provisions and contingent liability for their appropriateness in accordance with the applicable accounting standards.

(b) Impairment assessment of the carrying value of Property, Plant and Equipment (Refer note 2.01 of the accompanying consolidated financial statements) As at 31 March 2022, the Group is carrying Property, Plant and Equipment ('PPE') aggregating to INR 10,662.64 Lakhs in its financial statements. These balances are subject to a test of impairment by the management where impairment indicators exist. As mentioned in note 2.01(f) to the consolidated financial statements, as per impairment testing of the carrying value of PPE carried out by the management as at 31 March 2022, in the manner prescribed under Ind AS 36– Impairment of Assets, an additional impairment loss of INR 22 Lakhs is recognized in the current year for one of the product line identified as a CGU. Fair value and value-in-use of such PPE for the determination of the recoverable amounts involves significant judgement and high estimation uncertainty relating to identification of appropriate cash-generating unit, identification of group of assets, reasonable and consistent allocation of corporate assets, future cash flow projections made by the management using internal and external assumptions and using appropriate discount rate. As a result of such judgements and significance of the amounts involved, the matter has been identified as a key audit matter in the current year audit.	Our audit work included, but was not restricted to, the following procedures: • Obtained an understanding of the management process and performed a walkthrough to evaluate design effectiveness and tested operating effectiveness of key controls around identification of impairment indicators, impairment testing of property plant and equipment which include identification of cash generating units at which level such impairment testing is required to be performed. • Obtained the business plans of the Holding Company for the identified cash-generating unit, to corroborate the future cash flows used in value-in-use determination. • Obtained the impairment analysis carried out by the management and report from valuation specialist engaged by the Management. Tested the assumptions used for determination of value-in-use of the cash generating unit and obtained adequate supporting documents with respect to the impairment loss recognised in the current year. • Performed sensitivity analysis in respect of the key assumptions used, including revenue growth rates, cost reduction targets and discount rate to verify appropriateness of such assumptions. • Compared the actual results of estimates made in prior period to assess accuracy of management's estimates. • Assessed appropriateness of the disclosures made by the management for impairment assessment of carrying value of PPE.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance

of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.;
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern; and
    - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
    - Obtain sufficient appropriate audit evidence regarding the financial statements of the entities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of consolidated financial statements. We remain solely responsible for our audit opinion.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act based on our audit, we report that the Holding Company, has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that the subsidiary company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary company.

16. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued till date by us, of companies included in the consolidated financial statements for the year ended 31 March 2022 and covered under the Act we report that:

A) Following are the qualifications reported by us in the Order reports of the companies included in the consolidated financial statements for the year ended 31 March 2022 for which such Order reports have been issued till date:

S No	Name	CIN	Holding Company/ subsidiary/ Associate/Joint Venture	Clause number of the CARO report which is qualified or adverse
1	Nitta Gelatin India Limited	L24299KL1975PLC002691	Holding Company	xiv(a)
2	Bamni Proteins Limited	U24231KL1997PLC011971	Subsidiary Company	xiv(a)

17. As required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;

c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;

e) On the basis of the written representations received from the directors of the Holding Company, its subsidiary company, and taken on record by the Board of Directors of the Holding Company, its subsidiary company, none of the directors of the Group companies, are disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure I' wherein we have expressed an unmodified opinion; and

g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in note 2.30 to the consolidated financial statements;

ii. The Holding Company and its subsidiary company, did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, during the year ended 31 March 2022;

a. The respective managements of the Holding Company and its subsidiary company have represented to us that, to the best of their knowledge and belief, as disclosed in note 2.45(c) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary company, to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or subsidiary company, ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The respective managements of the Holding Company and its subsidiary company have represented to us that, to the best of their knowledge and belief, as disclosed in note 2.45(c) to the consolidated financial statements, no funds have been received by the Holding Company or its subsidiary company, from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or subsidiary company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed by us, as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement

iv. The final dividend paid by the Holding Company and its subsidiary company during the year ended 31 March 2022 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 2.11(f) to the accompanying consolidated financial statements, the Board of Directors of the Holding Company and its subsidiary company have proposed final dividend for the year ended 31 March 2022 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Krishnakumar Ananthasivan
Partner
Membership No.: 206229
UDIN: 22206229AINBAB8082

Place: Kochi
Date: 6 May 2022

Annexure I to the Independent Auditor's Report of even date to the members of Nitta Gelatin India Limited on the financial statements for the year ended 31 March 2022

Annexure I

Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Nitta Gelatin India Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI').These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary company, as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a

material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company and its subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm’s Registration No.: 001076N/N500013

Krishnakumar Ananthasivan
Partner
Membership No.: 206229
UDIN: 22206229AINBAB8082

Place: Kochi
Date: 6 May 2022

Nitta Gelatin India Limited

Consolidated Balance Sheet as at 31 March 2022

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current Assets			
(a) Property, plant and equipment	2.01	10,662.64	11,244.29
(b) Capital work-in-progress	2.01	711.00	185.48
(c) Other intangible assets	2.02	61.51	31.69
(d) Financial assets			
(i) Investments	2.03	99.68	94.20
(ii) Loans	2.04	3.80	4.62
(iii) Other financial assets	2.05	428.93	434.60
(e) Deferred tax assets	2.14	28.21	18.38
(f) Income tax assets (net)		1,213.82	1,536.74
(g) Other non-current assets	2.06	902.50	632.20
		14,112.09	**14,182.20**
Current Assets			
(a) Inventories	2.07	10,262.20	9,288.93
(b) Financial assets			
(i) Trade receivables	2.08	8,882.91	6,252.25
(ii) Cash and cash equivalents	2.09	209.29	92.43
(iii) Bank balances other than cash and cash equivalents	2.10	95.17	174.80
(iv) Loans	2.04	2.89	3.61
(v) Other financial assets	2.05	125.85	282.65
(c) Other current assets	2.06	858.75	388.43
		20,437.06	**16,483.10**
Total Assets		**34,549.15**	**30,665.30**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	2.11	907.92	907.92
(b) Other equity	2.12	19,179.49	16,395.05
Equity attributable to owners of the parent		**20,087.41**	**17,302.97**
Non controlling interests		443.38	290.19
		20,530.79	**17,593.16**
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	2.13	675.86	2,309.39
(b) Provisions	2.17	383.89	334.96
(c) Deferred tax liabilities (net)	2.14	494.34	151.31
		1,554.09	**2,795.66**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	2.13	7,938.88	5,698.99
(ii) Trade payables	2.15		
(a) Total outstanding dues of micro and small enterprises		162.93	220.49
(b) Total outstanding dues of creditors other than micro and small enterprises		1,921.42	2,238.50
(iii) Other financial liabilities	2.16	427.61	366.16
(b) Other current liabilities	2.18	778.86	862.20
(c) Provisions	2.17	436.95	387.79
(d) Current tax liabilities (net)		797.62	502.35
		12,464.27	**10,276.48**
Total Equity and Liabilities		**34,549.15**	**30,665.30**

See accompanying notes forming part of these consolidated financial statements.

This is the Consolidated Balance Sheet referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

For and on behalf of the Board of Directors of Nitta Gelatin India Limited

Krishnakumar Ananthasivan
Partner
Membership No.: 206229

Philip Chacko M
Managing Director
DIN: 01219764

E. Nandakumar
Director
DIN : 01802428

Place: Kochi
Date: 6 May 2022

Sahasranaman P.
Chief Financial Officer

G. Rajesh Kurup
Company Secretary

Nitta Gelatin India Limited

Consolidated Statement of Profit and Loss for the year ended 31 March 2022

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Note	Year ended 31 March 2022	Year ended 31 March 2021
INCOME			
Revenue from operations	2.19	50,597.66	39,625.54
Other income	2.20	457.74	143.50
Total income		**51,055.40**	**39,769.04**
EXPENSES			
Cost of materials consumed	2.21	27,567.25	21,104.46
Changes in inventories of finished goods and work-in-progress	2.22	(10.50)	(43.74)
Employee benefits expense	2.23	4,745.60	4,129.29
Finance costs	2.24	478.86	503.26
Depreciation and amortisation expense	2.25	1,436.71	1,552.46
Other expenses	2.26	11,921.64	9,991.36
Total Expenses		**46,139.56**	**37,237.09**
Profit before tax		**4,915.84**	**2,531.95**
Tax expense			
Current tax	2.35	1,490.63	552.45
Income tax relating to earlier years		-	(14.71)
Minimum alternate tax credit entitlement		-	(203.00)
Deferred tax (credit)/charge		(59.49)	404.42
Profit for the year		**3,484.70**	**1,792.79**
Other comprehensive income (OCI)			
Items that will not be subsequently reclassified to profit or loss:			
a) Re-measurement losses in defined benefit plans		(186.14)	(171.91)
Income tax relating to items that will not be subsequently reclassified to profit or loss		54.02	48.60
		(132.12)	(123.31)
b) Measurement of financial assets through other comprehensive income		5.48	7.03
Income tax relating to items that will not be subsequently reclassified to profit or loss		**(1.14)**	**(1.46)**
		4.34	5.57
Net of items that will not be reclassified to profit or loss		(127.78)	(117.74)
Items that will be reclassified subsequently to profit or loss:			
a) Gain/(Loss) recognised on cash flow hedges		(153.80)	814.58
Income tax relating to items that will be subsequently reclassified to profit or loss		44.38	(233.98)
Net of items that will be reclassified subsequently to profit or loss		(109.42)	580.60
Total other comprehensive (loss)/income , net of tax		**(237.20)**	**462.86**
Total comprehensive profit for the year		**3,247.50**	**2,255.65**
Profit attributable to:			
Equity holders of the Company		3,292.02	1,738.52
Non-controlling interest		192.68	54.27
Other comprehensive (loss)/income attributable to:			
Equity holders of the Company		(235.21)	456.97
Non-controlling interest		(1.99)	5.89
Total comprehensive income attributable to:			
Equity holders of the Company		3,056.81	2,195.49
Non-controlling interest		190.69	60.16
Earnings per equity share (₹ per share)	2.27		
Basic		**36.26**	**19.15**
Diluted		**36.26**	**19.15**

See accompanying notes forming part of these consolidated financial statements.

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

Krishnakumar Ananthasivan
Partner
Membership No.: 206229

Place: Kochi
Date: 6 May 2022

For and on behalf of the Board of Directors of
Nitta Gelatin India Limited

Philip Chacko M
Managing Director
DIN : 01219764

E. Nandakumar
Director
DIN : 01802428

Sahasranaman P.
Chief Financial Officer

G. Rajesh Kurup
Company Secretary

Nitta Gelatin India Limited

Consolidated Cash Flow Statement for the year ended 31 March 2022

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
A. Cash flow from operating activities:		
Profit before tax	4,915.84	2,531.95
Adjustments for:		
Depreciation and amortisation expense	1,436.70	1,552.45
Loss on disposal of Property, plant and equipment(net)	0.51	46.66
Provision for impairment on Plant and equipment	22.00	200.00
Finance Costs	478.86	503.26
Interest income	(17.79)	(37.42)
Dividend income from non-current investments	(0.17)	(0.30)
Liabilities no longer required written back	(12.47)	-
Reversal of allowances for expected credit loss on trade receivables	-	(12.00)
Unrealised foreign exchange loss/(gain)(net)	3.58	(9.55)
Operating profit before working capital changes	**6,827.06**	**4,775.05**
Adjustments for changes in working capital :		
Increase in trade receivables, other financial assets and other current assets	(3,007.25)	(1,644.15)
Increase in inventories	(973.24)	(162.50)
Decrease in trade payables, other financial liabilities and other current liabilities	(666.36)	(561.61)
(Decrease)/Increase in provisions	(88.04)	26.98
Cash generated from operations	**2,092.17**	**2,433.77**
Income taxes paid (net of refund)	(382.45)	(543.21)
Net cash generated from operating activities	**1,709.72**	**1,890.56**
B. Cash flow from investing activities:		
Payments for purchase of Property, plant and equipment, capital work in progress	(1,515.41)	(780.84)
Proceeds from disposal of Property, plant and equipment	2.20	4.51
Increase in other bank balances with maturity more than three months	85.66	(4.74)
Interest Received	17.08	39.19
Investment in Bank deposit (net)	(6.04)	-
Dividend Received	0.17	0.30
Net cash used in investing activities	**(1,416.34)**	**(741.58)**
C. Cash flow from financing activities:		
Proceeds from non-current borrowings	341.20	-
Repayment of non-current borrowings (net)	(623.91)	(769.80)
Repayment from current borrowings (net)	753.59	326.50
Dividend paid	(307.80)	(298.84)
Interest paid	(339.60)	(450.91)
Net cash used in financing activities	**(176.52)**	**(1,193.05)**
Net increase/(decrease) in cash and cash equivalents	**116.86**	**(44.07)**
Cash and cash equivalents at beginning of the year	**92.43**	**136.50**
Cash and cash equivalents at the end of the year	**209.29**	**92.43**
	116.86	**(44.07)**
Components of cash and cash equivalents (Refer note 2.09)		
a) Cash on hand	2.45	2.41
b) Balance with banks:		
- in current accounts	206.84	49.86
- in deposit accounts with a maturity of less than three months	-	40.16
	209.29	**92.43**

Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities

Particulars	As at March 31 2020	Cash flows	Non cash changes	As at March 31 2021
Non Current borrowings (including current maturities)	3,597.42	(769.80)	67.77	2,895.39
Current borrowings	4,777.32	326.50	9.17	5,112.99

Nitta Gelatin India Limited

Consolidated Cash Flow Statement for the year ended 31 March 2022

(All amounts are in ₹ Lakhs, unless otherwise stated)

Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities

Particulars	As at March 31 2021	Cash flows	Non cash changes	As at March 31 2022
Non Current borrowings (including current maturities)	2,895.39	(282.71)	138.47	2,751.15
Current borrowings	5,112.99	753.59	(2.99)	5,863.59

The above Consolidated Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow.

See accompanying notes forming part of these consolidated financial statements.

This is the Consolidated Cash Flow Statement referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

Krishnakumar Ananthasivan
Partner
Membership No.: 206229

Place: Kochi
Date: 6 May 2022

For and on behalf of the Board of Directors of Nitta Gelatin India Limited

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Managing Director
DIN : 01219764

E. Nandakumar
Director
DIN: 01802428

Sahasranaman P.
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Company Secretary

Nitta Gelatin India Limited
Consolidated Statement of Changes in Equity for the year ended 31 March 2022

(All amounts are in ₹ Lakhs, unless otherwise stated)

A. Equity share capital

	Balance as at 1 April 2021	Changes in equity share capital during the year	Balance as at 31 March 2022
1) For the period from 1 April 2021 to 31 March 2022	907.92	-	907.92

	Balance as at 1 April 2020	Changes in equity share capital during the year	Balance as at 31 March 2021
2) For the period from 1 April 2020 to 31 March 2021	907.92	-	907.92

B. Other equity

	Equity component of compound financial instruments	Reserves and Surplus					Items of other comprehensive income			Total other equity	Non-controlling interests	Total
		Securities premium reserve	Retained earnings	Special Export Reserve	Capital Reserve on merger	General Reserve	Effective portion of cash flow hedges	Equity instruments through other comprehensive income	Other items of other comprehensive income/(loss)			
Balance as at 1 April 2021	**984.43**	**2,895.90**	**1,830.56**	**79.00**	**2,750.62**	**7,947.86**	**124.38**	**10.94**	**(228.64)**	**16,395.05**	**290.19**	**16,685.24**
Profit for the year	-	-	3,292.02	-	-	-	-	-	-	**3,292.02**	**192.68**	**3,484.70**
Other comprehensive income/(loss)	-	-	-	-	-	-	(107.43)	4.34	(132.12)	**(235.21)**	**(1.99)**	**(237.20)**
Dividend paid	-	-	(272.37)	-	-	-	-	-	-	**(272.37)**	**(37.50)**	**(309.87)**
Balance as at 31 March 2022	**984.43**	**2,895.90**	**4,850.21**	**79.00**	**2,750.62**	**7,947.86**	**16.95**	**15.28**	**(360.76)**	**19,179.49**	**443.38**	**19,622.87**
Balance as at 1 April 2020	**984.43**	**2,895.90**	**348.02**	**79.00**	**2,750.62**	**7,918.86**	**(450.33)**	**5.37**	**(105.33)**	**14,426.54**	**301.28**	**14,727.82**
Profit for the year	-	-	1,738.52	-	-	-	-	-	-	**1,738.52**	**54.27**	**1,792.79**
Transfer from retained earnings	-	-	(29.00)	-	-	29.00	-	-	-	**-**	**-**	**-**
Other comprehensive income/(loss)	-	-	-	-	-	-	574.71	5.57	(123.31)	**456.97**	**5.89**	**462.86**
Dividend paid during the year	-	-	(226.98)	-	-	-	-	-	-	**(226.98)**	**(71.25)**	**(298.23)**
Balance as at 31 March 2021	**984.43**	**2,895.90**	**1,830.56**	**79.00**	**2,750.62**	**7,947.86**	**124.38**	**10.94**	**(228.64)**	**16,395.05**	**290.19**	**16,685.24**

See accompanying notes forming part of these consolidated financial statements.

This is the Consolidated Statement of Changes in Equity referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

Krishnakumar Ananthasivan
Partner
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For and on behalf of the Board of Directors of Nitta Gelatin India Limited

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G. Rajesh Kurup
Company Secretary

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022

(All amounts are in ₹ Lakhs, unless otherwise stated)

1. General Information:

Nitta Gelatin India Limited ('the Holding Company'/ 'NGIL'), a public limited company, operates in the business of manufacture and sale of ossein, gelatin and collagen peptide. The Holding Company's shares are listed for trading on BSE Limited in India.The address of the Registered office of the Holding Company is 56/715, SBT Avenue, P B No. 4262, Panampilly Nagar, Kochi, Kerala. PIN - 682036.

The consolidated financial statements comprise financial statements of Holding Company and its Subsidiary (together referred to as the 'Group').

These consolidated financial statements are authorised by the Board of Directors for issue in accordance with their resolution dated 6 May 2022.

2. Summary of significant accounting policies

a) Basis of accounting and preparation

These Consolidated Financial Statements are the separate Financial Statements of the Company, prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and the presentation and disclosures requirement of Division II of Schedule III to the Act (Ind AS compliant Schedule III), as applicable and the guidelines issued by the Securities and Exchange Board of India.

The consolidated financial statements have been prepared under the historical cost convention, on the accrual basis of accounting, except for certain financial assets and financial liabilities (including derivative instruments) that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

The Financial Statements are presented in Indian Rupees(₹) and all values are rounded to the nearest lakhs,except when otherwise indicated.

The accounting policies have been applied consistently over all the periods presented in this financial statements except where newly issued accounting standard is initially adopted.

Previous year figures have been re-grouped/reclassified where necessary, to confirm with the current year presentation for the purpose of comparability.

b) Basis of consolidation

The consolidated financial statements of the group include:

Subsidiary	Country of incorporation	Percentage of share holding/voting power	
		31 March 2022	31 March 2021
Bamni Proteins Limited	India	82.35%	82.35%

The consolidated financial statements comprise of the financial statements of the Company and its subsidiary as at 31 March 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

in preparing the consolidated financial statements to ensure conformity with the group's accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Non-controlling interest represents the amount of equity not attributable, directly or indirectly, to the Company at the date on which investment in a subsidiary is made and its share of movements in equity since that date. Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, consolidated statement of changes in equity and Consolidated balance sheet respectively.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without loss of control is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

c) Use of estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The Group bases its estimates and assumptions on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the amounts recognized in the financial Statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i. *Classification of leases*

The Group enters into leasing arrangements for some assets. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the land and office premises and the fair value of the asset, that it does not retain significant risks and rewards of ownership of the land and the office premises and accounts for the contracts as operating leases. Further, refer note no. 2.34, for effect of transition to Ind AS 116 and other

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

c) Use of estimates *(cont'd)*

disclosures relating to leases.

ii. *Recognition of deferred tax assets*

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

iii. *Evaluation of indicators for impairment of assets*

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets. In assessing impairment, management estimates the recoverable amount of each asset or cash generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

iv. *Recoverability of advances/receivables*

At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

v. *Useful lives of depreciable/amortisable assets*

Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain items of property, plant and equipment.

vi. *Defined benefit obligation (DBO)*

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

vii. *Fair value measurements*

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

viii. *Uncertainties relating to the global health pandemic from COVID-19*

The market for Gelatin, Collagen peptide and DCP continues to be robust. Due to COVID-19 restrictions, availability of one of the major raw materials, Crushed Bone, for the gelatin industry continues to be lower than demand whereby the price remains at a very high level and with little attention to quality by many of the suppliers. Due to this, the gross profit margin is lower as compared to the pre-COVID-19 times. In the opinion of the management, this mismatch between demand and supply is likely to ease in future though quality issues are likely to continue for some time. In financial planning, the Group has taken into account the possible impact of COVID-19 on the operations of the Group, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets and impact on revenues and costs. The Group has been able to effectively manage the operations till now with appropriate safety precautions, with minimal impact of COVID-19 on the plant operations. The Group will continue to closely monitor future developments and take appropriate measures to minimise any adverse impact on the profit margin and to ensure business continuity.

d) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has evaluated and considered its operating cycle as 12 months.

Deferred tax assets/liabilities are classified as non-current assets/liabilities.

e) Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably.

For qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy based on Ind AS 23 – Borrowing costs. Such properties are classified to the appropriate categories of PPE when completed and ready for intended use.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

The Group depreciates Property, plant and equipment (other than service equipment) over their estimated useful lives using the straight-line method. Depreciation on Service Equipment and other items of Property, Plant and Equipments is provided on Written Down Value Method based on the useful lives prescribed in Schedule II of the Companies Act, 2013 based on a review by the management at the year-end.

Asset Category	**Useful lives (in years)**
Factory Building	30
Office Building	60
Plant and Equipment	5 - 25
Furniture and Fixtures	10
Office equipment	5
Vehicles	8

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components). The cost of replacement spares/ major inspection relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably.

Depreciation methods, useful lives and residual values are reviewed periodically and updated as required, including at each financial year end.

f) Intangible assets

Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortisation and impairment. Advances paid towards the acquisition of intangible assets outstanding at each Balance Sheet date are disclosed as other non-current assets and the cost of intangible assets not ready for their intended use before such date are disclosed as intangible assets under development.

The Group amortizes intangible assets over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Asset Category	**Useful lives (in years)**
Computer software	5

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

The residual values, useful lives and methods of amortization of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

g) Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Group estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the Statement of Profit and Loss.

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

h) Revenue recognition

Revenue from contracts with customers is recognised on transfer of control of Promised goods or services to a customer at an amount that reflect the consideration to which the Group is expected to be entitled to in exchange for those goods or services. Revenue towards satisfaction of a Performance obligation is measured at the amount of transaction price, net of variable consideration and excluding taxes or duties collected on behalf of the government. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

i. Sale of goods

Revenue from sale of goods is recognized when the control on the goods have been transferred to the customers. The performance obligation in case of sale of goods is satisfied at a point in time, i.e., when the material is shifted to the customer or on delivery to the customer as may be specified in the contract.

ii. Export incentives

Income from Export incentives are recognized when right to receive credit as per the terms of the scheme is established and when there is certainty of realisation.

iii. Interest income

Interest income is reported on an accrual basis using the effective interest method and is included under the head 'Other income' in the Statement of Profit and Loss.

iv. Dividends

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

v. Rental income

Rental income arising from operating leases on investment properties is accounted for over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

i) Employee benefits

Employee benefits include superannuation, provident fund, employee state insurance scheme, gratuity and compensated absences. Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind AS 19, Employee Benefits.

Defined contribution plan

Retirement benefit in the form of provident fund and employee state insurance scheme is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund and employee state insurance scheme. The Group recognises contribution payable to the schemes as an expenditure, when an employee renders the related service. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

The Group has defined contribution plans for employees comprising of Superannuation, Provident Fund and Employee's State Insurance. The contributions paid/ payable to these plans during the year are charged to the Statement of Profit and Loss for the year.

Defined benefit plan

Gratuity

Payment of Gratuity to employees is covered by the KCPL Gratuity Trust Scheme based on the Group Gratuity cum Assurance Scheme of the LIC of India, which is a defined benefit scheme and the Group make contributions under the said scheme. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any). The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Long term employee benefits

Compensated absences

The Group provides benefit of compensated absences under which unavailed leave are allowed to be accumulated to be availed in future. The compensated absences comprises of vesting as well as non vesting benefit. The cost of short term compensated absences are provided for based on estimates. Long term compensated absence costs are provided for based on actuarial valuation using the project unit credit method.

The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Service cost on the Group's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Net interest expense on the net defined benefit liability is included in finance costs.

Gains and losses through re-measurements of the defined benefit plans are recognized in other comprehensive

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022 (cont'd)

(All amounts in ₹ Lakhs, unless otherwise stated)

income, which are not reclassified to profit or loss in a subsequent period. Further, as required under Ind AS compliant Schedule III, the Group transfers those amounts recognized in other comprehensive income to retained earnings in the statement of changes in equity and in the balance sheet.

Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

j) Leases

Effective from 1st April 2019, the Group adopted Ind AS 116 – Leases and applied the standard to all lease contracts existing as on 1st April 2019 using the modified retrospective method on the date of initial application i.e. 1st April 2019.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

Subsequently, the lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of real estate properties that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

k) Foreign currency transactions

Functional and presentation currency

The functional currency of the Group is the Indian Rupee. These Consolidated Financial Statements are presented in Indian Rupees (₹).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit or Loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022 (cont'd)

(All amounts in ₹ Lakhs, unless otherwise stated)

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

l) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

m) Inventories

Inventories are valued at lower of cost or net realisable value, item wise. For this purpose, the cost of bought-out inventories comprise of the purchase cost of the items, net of applicable tax/duty credits and cost of bringing such items into the factory on a weighted average basis. The cost of manufactured inventories comprises of the direct cost of production plus appropriate overheads. The net realizable value of bought out inventories is taken at their current replacement value.

n) Research and development

Revenue expenditure (net of recoveries) pertaining to Research is charged to the Statement of Profit and Loss in the year in which it is incurred. Costs of development of products is also charged to the Statement of Profit and Loss in the year it is incurred, unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises of expediture that can be directly attributed or allocated on a reasonable and consistent basis for creating, producing and making the asset ready for its intended use. Property, plant and equipment utilised for research and development are capitalised and depreciated in accordance with the policies stated for Property, plant and equipment.

o) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants for non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

p) Income taxes

Income tax expense comprises current and deferred tax. Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively. Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022 (cont'd)

(All amounts in ₹ Lakhs, unless otherwise stated)

income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. The Group offsets deferred tax assets and deferred tax liabilities, where it has a legally enforceable right to setoff the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Minimum Alternate Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income-tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Group will pay normal income-tax during the specified period.

q) Provisions and contingencies

Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets

Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

r) Financial instruments

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

i. Debt instruments at amortised cost;
ii. Debt instruments at fair value through other comprehensive income (FVTOCI);
iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL); and
iv. Equity investments.

i. Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

ii. Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and

b) The asset's contractual cash flows represent SPPI. Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of profit & loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of profit & loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

r) Financial instruments *(cont'd)*

iii. Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

iv. Equity investments

All equity investments in scope of Ind AS 109 Financial Instruments, are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 Business Combinations, applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by- instrument basis. The classification is made on initial recognition and is irrevocable. If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit & loss.

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

a. The rights to receive cash flows from the asset have expired, or

b. The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Group has transferred substantially all the risks and rewards of the asset, or (ii) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 Financial Instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

statement of profit or loss.

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind AS 109 Financial Instruments and the amount recognised less cumulative amortisation.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments and Hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks arising from highly probable future forecasted sales. This derivative financial instrument are designated in a cash flow hedge relationship. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss and is reclassified to underlying hedged item. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs.

s) Impairment of financial assets

In accordance with Ind AS 109 Financial Instruments, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

enhancements that are integral to the contractual terms.

Trade receivables

The Group applies approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

t) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

u) Cash and cash equivalents

Cash and cash equivalent in the statement of financial position comprises cash at banks and on hand, demand deposits, short-term deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash, which are subject to an insignificant risk of changes in value.

v) Dividend distribution to equity holders

Dividends to the Group's equity shareholders are recognised when the dividends are approved for payment by the shareholders.

w) Assets held for sale

An entity shall classify a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and its sale is highly probable. Management must be committed to sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some held for sale assets such as financial assets, assets arising from employee benefits and deferred tax assets, continue to be measured in accordance with the Company's relevant accounting policy for those assets. Once classified as held for sale, the assets are not subject to depreciation or amortisation.

x) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group is engaged in the business of manufacture and sale of Gelatin, Ossein, DCP and Collagen Peptide, which form broadly part of one product group and hence constitute a single business segment.

y) Earnings per Share (EPS)

Basic EPS is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

period is adjusted for events such as bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS is calculated by dividing the profit attributable to equity holders of the Group (after adjusting for interest on the convertible preference shares, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

z) Business combination of entities under common control

Business combinations involving entities that are controlled by the Company or ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory, are accounted for using the pooling of interests method as follows:

i. The assets and liabilities of the combining entities are reflected at their carrying amounts.

ii. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.

iii. The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination, however, where the business combination had occurred after that date, the prior period information is restated only from that date.

iv. The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.

v. The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee.

The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately as capital reserves.

aa) New standards and interpretations not yet adopted

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. These amendments are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

2.01 Property, plant and equipment (PPE) and Capital work-in-progress

	Freehold Land	Right Of Use Asset Leasehold Land	Building	Plant & Equipment	Furniture and fixtures	Office equipment	Vehicles	Total PPE	Capital work-in-progress
Gross carrying amount:									
Balance as at 1 April 2020	**471.30**	**884.18**	**3,499.12**	**12,247.99**	**67.58**	**163.11**	**83.01**	**17,416.29**	**416.11**
Additions	-	-	113.73	843.95	13.90	32.08	8.34	1,012.00	186.33
Disposals	-	-	0.87	247.87	0.19	27.02	12.74	288.69	416.96
Balance as at 31 March 2021	**471.30**	**884.18**	**3,611.98**	**12,844.07**	**81.29**	**168.17**	**78.61**	**18,139.60**	**185.48**
Additions	-	-	154.46	624.80	8.17	39.12	44.36	870.91	690.81
Disposals	-	-	2.20	65.55	1.21	13.45	40.85	123.26	165.29
Balance as at 31 March 2022	**471.30**	**884.18**	**3,764.24**	**13,403.32**	**88.25**	**193.84**	**82.12**	**18,887.25**	**711.00**
Accumulated depreciation and impairment									
Balance as at 1 April 2020	**-**	**125.43**	**975.41**	**4,104.63**	**31.97**	**98.90**	**54.54**	**5,390.88**	**-**
Depreciation charge for the year	-	9.10	229.62	1,247.69	9.87	35.42	9.04	1,540.74	-
Disposals		-	0.81	201.67	0.18	24.24	9.41	236.31	
Impairment Loss (refer note f below)	-	-	-	200.00	-	-	-	200.00	-
Balance as at 31 March 2021 -	**-**	**134.53**	**1,204.22**	**5,350.65**	**41.66**	**110.08**	**54.17**	**6,895.31**	**-**
Depreciation charge for the year	-	9.11	214.59	1,137.88	11.08	33.21	8.65	1,414.52	-
Disposals	-	-	1.55	57.37	1.17	12.50	34.63	107.22	-
Impairment Loss (refer note f below)	-	-	-	22.00	-	-	-	22.00	-
Balance as at 31 March 2022	**-**	**143.64**	**1,417.26**	**6,453.16**	**51.57**	**130.79**	**28.19**	**8,224.61**	**-**
Net carrying amount									
As at 31 March 2021	**471.30**	**749.65**	**2,407.76**	**7,493.42**	**39.63**	**58.09**	**24.44**	**11,244.29**	**185.48**
As at 31 March 2022	**471.30**	**740.54**	**2,346.98**	**6,950.16**	**36.68**	**63.05**	**53.93**	**10,662.64**	**711.00**

Note:

a. **Contractual obligations**
Refer note 2.31.

b. **Capitalised borrowing cost**
There is no borrowing costs capitalised during the year ended 31 March 2022 (31 March 2021: Nil).

c. **Property, plant and equipment pledged as security**
Refer note 2.28

d. Additions to Plant & Equipment include Research & Devopment Assets capitalised during the year ₹ 8.11 Lakhs (31 March 2021 - ₹ 24.48 Lakhs) (Refer note 2.26.1)

e. The gross carrying value, accumulated depreciation and net carrying value as at 31 March 2022 and 31 March 2021 includes the assets of M/s Reva Proteins Limited, erstwhile subsidiary company, (the 'Transferor company') which was merged with the Company w.e.f 1 April 2017 as per the orders of the National Company Law Tribunal, Chennai dated 27 March 2019. The carrying value of assets and liabilities of the Transferor company as of 01 April 2017 was taken over and included in the values of assets and liabilities of the Company.

f. Performance of the plant in Reva Division, Bharuch of the Holding Company is reported as a cost centre for products used captively for manufacture of Gelatin and profit centre for products sold to external customers (including Group Company). In the opinion of the management the utilisation of the capacity in this plant is important to ensure that the Gelatin capacity of the Group is fully utilised. In view of the existence of certain indicators of impairment of assets of the Group in this plant, the Group was conducting impairment testing of the carrying value of all Property, Plant and Equipment in this plant till 31 December 2021 in the manner prescribed in Ind AS 36 and necessary provision for impairment of assets was carried in the books. As directed by the Board of Directors of the Holding Company vide their meeting dated 7 February 2022, management performed a comprehensive technical and financial evaluation to identify the fundamental cause behind the lower margin at the division. To comply with pollution control board guidelines the Group needs to incur additional expense to manufacture one of the products exported from the division. The management was not utilising the installed capacity in full due to the higher manufacture cost as mentioned above. In the opinion of management the manufacture and sale of this product would qualify as a cash generating unit (CGU) as per Ind AS 36 as it represents an identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Consequently, an impairment testing of the carrying value of certain identified Property, Plant and Equipment used for manufacture of this product as at 31 March 2022 was carried out in the manner prescribed in Ind AS 36. Based on the cash flow projections made by the Group for this CGU, the recoverable amount of the group of assets is determined to be ₹ 209.80 lakhs as against the carrying amount of ₹ 741.75 lakhs. The total provision for impairment of assets carried in the books is ₹ 531.95 lakhs including an additional provision for impairment amounting to ₹ 22 lakhs made during the year ended 31 March 2022 (₹ 200.00 Lakhs for the year ended 31 March 2021) and no further provision is considered necessary on this account.

g. Right of Use Asset includes 'Leasehold land' which represents land obtained on long term lease from various Government authorities. The same has been reclassified to Right of Use Assets on account of adoption of Ind AS 116 'Leases'.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

2.01.01 Capital work-in-progress (CWIP)

CWIP ageing schedule

CWIP	Amount in CWIP as at 31 March 2022				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	682.86	10.94	-	17.20	711.00
Projects temporarily suspended	-	-	-	-	-

CWIP	Amount in CWIP as at 31 March 2021				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	121.2	10.84	21.17	-	153.21
Projects temporarily suspended	32.27	-	-	-	32.27

There are no Capital Work in Progress which are overdue or has exceeded the costs compared to its original plan

2.02 Other Intangible assets

	Software	Total
Gross carrying amount:		
Balance as at 1 April 2020	**105.44**	**105.44**
Additions	7.96	7.96
Disposals	0.85	0.85
Balance as at 31 March 2021	**112.55**	**112.55**
Additions	52.01	52.01
Disposals	-	-
Balance as at 31 March 2022	**164.56**	**164.56**
Accumulated depreciation		
Balance as at 1 April 2020	**69.95**	**69.95**
Amortisation for the year	11.72	11.72
Disposals	0.81	0.81
Balance as at 31 March 2021	**80.86**	**80.86**
Amortisation for the year	22.19	22.19
Disposals	-	-
Balance as at 31 March 2022	**103.05**	**103.05**
Net carrying amount		
As at 31 March 2021	**31.69**	**31.69**
As at 31 March 2022	**61.51**	**61.51**

Note:

Contractual obligation

There are no contractual commitments for the acquisition of intangible assets.

2.03 Investments

	As at 31 March 2022	As at 31 March 2021
a) Investments in Equity Instruments		
At FVOCI, Quoted #		
(a) 4,200 (4,200) Equity Shares of ₹1 each in State Bank of India, fully paid up	20.77	15.29
(b) 100 (100) Equity Shares of ₹ 10 each in Industrial Finance Corporation of India Limited, fully paid up	0.01	0.01
Aggregate amount of quoted investments	**20.78**	**15.30**
At FVTPL, Unquoted		
(a) 60,000 (60,000) fully paid up Equity Shares of ₹ 10 each in Kerala Enviro Infrastructure Limited	6.00	6.00
(b) 300,000 (300,000) fully paid up Equity Shares of ₹ 10 each in Seafood Park India Limited	31.50	31.50
(c) 50,000 (50,000) fully paid up Equity Shares of ₹ 10 each in Cochin Waste 2 Energy Private Limited	5.00	5.00
Less: Provision for impairment of investments	(5.00)	(5.00)
(d) 414,000 (414,000) fully paid up equity shares of ₹ 10 each in Narmada Clean Tech Limited	41.40	41.40
Aggregate amount of unquoted investments	**78.90**	**78.90**
Total Investments	**99.68**	**94.20**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As at 31 March 2022	As at 31 March 2021
Aggregate amount of quoted investments	20.78	15.30
Aggregate market value of quoted investments	20.78	15.30
Aggregate amount of unquoted investments	83.90	83.90
Aggregate amount of impairment in value of investments	(5.00)	(5.00)

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the directors of the Company have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuatios in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

		As at 31 March 2022	As at 31 March 2021
2.04	**Loans**		
	Non-current		
	(Unsecured, considered good)		
	Loan to employees	3.80	4.62
		3.80	**4.62**
	Current		
	(Unsecured, considered good)		
	Loan to employees	2.89	3.61
		2.89	**3.61**
2.05	**Other financial assets**		
	Non-current		
	(Unsecured, considered good)		
	Security deposits	401.98	409.72
	Balances with banks - deposit accounts	11.04	11.04
	Earmarked balances with banks for unpaid dividend*	15.91	13.84
		428.93	**434.60**
	Current		
	(Unsecured, considered good)		
	Security deposits	1.13	2.71
	Advances recoverable in cash or in kind	72.88	75.06
	Hedge asset (foreign exchange forward contract)	34.66	188.46
	Interest receivable	11.20	10.49
	Others	5.98	5.93
		125.85	**282.65**
	*Not due for deposit in the investor education and protection fund.		
2.06	**Other assets**		
	Non-current		
	(Unsecured, considered good)		
	i. Capital advance	98.32	27.98
	ii. Advances other than capital advances;		
	a. Other advances		
	Prepaid lease rental	-	-
	Prepaid expenses	7.01	17.77
	iii. Others		
	Export incentive receivable [refer note (a) below]	630.74	420.02
	VAT refund receivable	88.27	88.27
	Deposit with government authorities	78.16	78.16
	(Unsecured, considered doubtful)		
	Export incentive receivable [refer note (a)(b) and (c) below]	213.88	177.76
	Less: Provision for doubtful receivable	(213.88)	(177.76)
		902.50	**632.20**
	Current		
	(Unsecured, considered good)		
	Advances to suppliers and contractors	168.66	129.59
	Prepaid expenses	152.73	146.42
	Balances with statutory authorities	163.59	43.87
	Export incentive receivable / benefit (MEIS, RoDTEP & Advance authorisation)	373.77	68.55
		858.75	**388.43**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

Export incentives receivable includes:
(a) Claims amounting to ₹ 208.18 Lakhs (31 March 2021: ₹ 208.18 Lakhs) under Duty Entitlement Pass Book (DEPB) Scheme recognised as income in earlier years. The Company had also availed Duty Drawback benefit for the corresponding periods amounting to ₹ 41.51 Lakhs (31 March 2021: ₹ 41.51 Lakhs). The Dy. Director General of Foreign Trade vide letter dt 03 October 2011 had informed the Company that the dual benefit of DEPB as well as Duty Drawback cannot be allowed and advised that either DEPB benefit or Duty Drawback on the export product may be availed. The Company has been legally advised that it is entitled to both benefits as per the relevant regulations, based on which representations have been filed before higher authorities. During an earlier year, the Grievance Committee of the Directorate General of Foreign Trade have heard the Company's grievance application and remanded the matter back to the original adjudicating authorities for re-examining and for issuing necessary clarification based on the provisions of Foreign Trade Policy. Though the management is of the opinion that these claims are fully recoverable, provision of ₹ 113.14 Lakhs has been created in the accounts towards Duty Drawback claim for the relevant period as a matter of prudence.
(b) Claim for duty drawback on furnace oil consumed relating to earlier years amounting to ₹ 64.62 Lakhs (31 March 2021: ₹ 64.62 Lakhs) which has been decided against the Company by the division bench of the Hon'ble High Court of Kerala. The Company has sought further appeal before Hon'ble Supreme Court and although the Company is hopeful of favourable order, provision of ₹ 64.62 Lakhs has been created in respect of such disputed claims in the books of account as a matter of prudence.
(c) Company has also made an additional provision of ₹ 36.12 Lakhs towards All Industry Rate duty drawback claims pending for clearance by the Customs Department as a matter of prudence during the financial year 2021-22.

		As at 31 March 2022	As at 31 March 2021
2.07	**Inventories**		
	Raw materials	3,218.33	2,287.26
	Raw materials in-transit	-	185.14
	Work-in-progress	3,960.65	4,144.17
	Finished goods	2,351.37	1,972.21
	Stores and spares#	647.42	634.29
	Packing materials	84.43	65.86
		10,262.20	**9,288.93**

#net of provision made for non moving inventory amounting to ₹ 72.01 Lakhs as on 31 March 2022 (31 March 2021: ₹ 51.36 Lakhs).
Method of valuation of inventories - Refer 2(m) of Significant Accounting Policies.
For inventories pledged as security refer note 2.28

		As at 31 March 2022	As at 31 March 2021
2.08	**Trade Receivables**		
	Unsecured		
	Considered good	8,911.36	6,280.70
	Credit impaired	4.60	4.60
		8,915.96	**6,285.30**
	Less: Loss allowance	(33.05)	(33.05)
		8,882.91	**6,252.25**

Trade receivables ageing schedule as at 31 March 2022

	Outstanding for following periods from due date of payment					
Particulars	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables – considered good	8,911.06	-	-	-	0.30	**8,911.36**
(ii) Disputed Trade Receivables – credit impaired	-	-	-	-	4.60	**4.60**
Less: Loss allowance						**(33.05)**
Total Trade receivables						**8,882.91**

Trade receivables ageing schedule as at 31 March 2021

	Outstanding for following periods from due date of payment					
Particulars	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables – considered good	6,275.04	-	-	3.11	2.55	**6,280.70**
(ii) Disputed Trade Receivables – credit impaired	-	-	-	-	4.60	**4.60**
Less: Loss allowance						**(33.05)**
Total Trade receivables						**6,252.25**

Trade receivables are non-interest bearing and are generally on terms of 30 to 180 days

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

		As at 31 March 2022	As at 31 March 2021
2.09	**Cash and Cash Equivalents**		
	Balance with banks (with maturity less than three months)		
	- In Current accounts	206.84	49.86
	- In Deposit accounts *	-	40.16
	Cash on hand	2.45	2.41
		209.29	**92.43**
2.10	**Bank balances other than cash and cash equivalents**		
	Balance with banks (with maturity more than three months but less than twelve months)		
	- In deposit accounts *	95.17	174.80
		95.17	**174.80**

* Balance with banks in deposit accounts include ₹ 95.17 lakhs (31 March 2021 : ₹ 48.79 Lakhs) with a maturity period of less than twelve months, which are held as security against Letter of Credits/ Guarantee and Buyers Credit.

2.11 Equity share capital

Particulars	**As at 31 March 2022**		**As at 31 March 2021**	
	No. of shares	**Amount**	**No. of shares**	**Amount.**
(a) Authorised				
Equity share of ₹10 each	40,000,000	4,000	40,000,000	4,000
Optionally Convertible on cumulative preference shares of ₹ 170 each	9,29,412	1,580	9,29,412	1,580
Optionally Convertible non cumulative preference shares of ₹ 10 each	20,000,000	2,000	20,000,000	2,000
Redeemable Preference Shares of ₹ 10 each	4,444,444	444.44	4,444,444	444.44
	65,373,856	8,024.44	65,373,856	8,024.44
(b) Issued, subscribed and fully paid-up				
Equity share of ₹ 10/- each	**9,079,160**	**907.92**	**9,079,160**	**907.92**
	9,079,160	**907.92**	**9,079,160**	**907.92**

(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	**As at 31 March 2022**		**As at 31 March 2021**	
	No. of shares	**Amount**	**No. of shares**	**Amount.**
Equity share of ₹ 10/- each				
Opening balance	9,079,160	907.92	9,079,160	907.92
Issue of shares during the year	-	-	-	-
Closing balance	**9,079,160**	**907.92**	**9,079,160**	**907.92**

(b) Terms/ Rights attached to equity share holders:

The Holding company has only one class of shares referred to as equity shares with a face value of ₹ 10/- each. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed/declared by the Board of Directors is subject to approval/regularisation of the shareholders' in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts, in proportion to the number of equity shares held by the shareholders.

(c) Details of shares held by holding company

Particulars	**As at 31 March 2022**		**As at 31 March 2021**	
	No. of shares	**%**	**No. of shares**	**%**
Equity share of ₹ 10/- each				
Nitta Gelatin Inc. Japan	3,900,300	42.96	3,900,300	42.96

(d) Details of shares held by each shareholder holding more than 5% of shares

Particulars	**As at 31 March 2022**		**As at 31 March 2021**	
	No. of shares	**%**	**No. of shares**	**%**
Equity share of ₹ 10/- each				
Nitta Gelatin Inc. Japan	3,900,300	42.96	3,900,300	42.96
Kerala State Industrial Development Corporation Ltd	2,862,220	31.52	2,862,220	31.52

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

(e) Details of shares held by promoters as at 31 March 2022

Particulars	As at 31 March 2022		
	No. of shares	%	% of change during the year
Equity share of ₹ 10/- each			
Nitta Gelatin Inc. Japan	3,900,300	42.96	-
Kerala State Industrial Development Corporation Ltd	2,862,220	31.52	-

(f) Distribution of dividend paid and proposed

Particulars	As at 31 March 2022	As at 31 March 2021
Dividends on equity shares declared and paid for the year ended 31 March 2021 (₹ 3 per equity share)	272.37	226.98
Proposed cash dividend for the year ended 31 March 2022(₹4 per equity share)	363.17	272.37

(g) Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Equity shares allotted as fully paid Bonus shares by capitalisation of reserves	--	--	--	--	5.79

2.12 Other equity (Refer Consolidated Statement of Changes in Equity)

Particulars	As at 31 March 2022	As at 31 March 2021
Securities Premium	2,895.90	2,895.90
Special Export Reserve (under the Income Tax Act, 1961)	79.00	79.00
Equity component of compound financial instruments	984.43	984.43
General Reserve	7,947.86	7,947.86
Capital Reserve on Merger	2,750.62	2,750.62
Retained earnings	4,850.21	1,830.56
Items of Other comprehensive income		
- Hedge reserve	16.95	124.38
- Equity Instruments through OCI	15.28	10.94
- Remeasurement of defined benefit plans(net)	(360.76)	(228.64)
	19,179.49	**16,395.05**

Description of nature and purpose of each reserve:

a. Securities premium

The amount received in excess of face value of the equity shares was recognised in securities premium. The reserve is utilised in accordance with the provisions of the Act.

b. Retained earnings

Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

c. Special export reserve

Special export reserve was created as per the provisions of Income Tax Act, 1961 for availing the tax benefits for exports.

d. Equity component of compound financial instruments

The difference between the fair value and cost of the financial instrument has been considered as additional contribution and shown as part of Other equity.

e. General reserve

General reserve was created from time to time by way of transfer of profits from retained earnings for appropriation purposes.

f. Capital reserve on merger

Capital reserve was created on merger of erstwhile Subsidiary,Reva Proteins Limited with the Company. The Company uses capital reserve for transactions in accordance with the provisions of the Act.

g. Items of Other Comprehensive Income

i) Hedge reserve: Effective portion of fair value gain/(loss) on all financial instrument designated in cash flow hedge relationship are accumulated in hedge reserve.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

ii) Equity Instruments through Other Comprehensive Income: The Group has elected to recognise the change in fair value of certain investments in other comprehensive income. These changes are accumulated within the Equity Instruments through OCI. The Group transfers amounts from this reserve to retained earnings when the relevant equity instruments are derecognised.

iii) Remeasurements of net defined benefit plans: Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

2.13 Borrowings

Particulars	As at 31 March 2022	As at 31 March 2021
Non current		
(Secured)		
Term loans from banks		
- From State Bank of India	341.20	-
Term loan from related party:		
- Kerala State Industrial Development Corporation	-	257.38
(Unsecured)		
Loan from Related Party		
- External Commercial Borrowings (ECB) from Nitta Gelatin Inc	462.06	789.94
Liability component of optionally convertible preference shares	1,555.29	1,462.99
Liability component of redeemable Preference shares pending allotment	392.60	385.08
	2,751.15	**2,895.39**
Current portion of liability component of optionally convertible preference shares	(1,555.29)	-
Current maturities of non-current borrowings	(520.00)	(586.00)
	675.86	**2,309.39**

Particulars	As at 31 March 2022	As at 31 March 2021
Current		
(Secured)		
Loans repayable on demand		
From Banks:		
Cash credits/Working Capital Demand Loans	4,532.32	4,056.59
Bills Discounting	1,331.27	612.79
Buyer's Credit SBI	-	443.61
Current maturities of non-current borrowings	520.00	586.00
Liability component of optionally convertible preference shares	1,555.29	-
	7,938.88	**5,698.99**

Quarterly returns or statements of current assets filed by the company with banks or financial institutions are in agreement with the books of accounts.

2.13 Borrowings (Non Current)

Sl. No.	Particulars	Nature of Security	Repayment details	As at 31 March 2022	As at 31 March 2021
Term loans from banks (Secured)					
i.	State Bank of India	Exclusive first charge over the Property, Plant and Equipment financed out of the term loan.	Principal repayment will be in 16 quarterly instalments commencing from June 2022.	341.20	-
				341.20	-

The interest on one of the term loans from State Bank of India is linked to LIBOR rates; the effective interest rate ranges from 2.50 % to 2.80%. For the other loan; the interest is linked to EBLR and the effective interest rate is 10.65% at present.

Sl. No.	Particulars	Nature of Security	Repayment details	As at 31 March 2022	As at 31 March 2021
Term loans from others (Secured)					
i.	Kerala State Industrial Development Corporation Ltd	Exclusive first charge over the Property, Plant and Equipment of the company including leasehold assets, both present and future.	The principal is repayable in 22 quarterly installments, commencing from 11 March 2017 in the following manner: From, March 2017 to March 2022 - ₹ 54 Lakhs per quarter In June 2022 - ₹ 53.50 Lakhs per quarter. Interest rate for the loan is 8.5 %.	-	257.38
				-	257.38

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

2.13 Borrowings (Non-Current) (*cont'd*)

Sl. No.	Particulars	Nature of Security	Repayment details	As at 31 March 2022	As at 31 March 2021
	Term loans from related party (Unsecured)				
i.	ECB from Nitta Gelatin Inc	ECB's are unsecured	(a) The principal amount of ₹ 650 Lakhs taken by the Group is repayable in five annual instalments of ₹ 130 Lakhs on 24 March 2019, 24 March 2020, 24 March 2021, 24 March 2022 and 24 March 2023 and the interest rate is payable @ 6 months USD LIBOR Rate + 5.00 % at half yearly rests. (b) The principal Amount of ₹ 900 Lakhs taken by the Group is repayable in 15 Equal Instalments of ₹ 60 Lakhs each from Dec 2019 to Jun 2023. The interest is payable @ 6 months USD LIBOR Rate + 5.00 % at half yearly rests.	462.06	789.94
				462.06	**789.94**

The interest on above term loans from NGI are linked to LIBOR rates. The effective interest rates per annum ranges between +5.20% to + 5.30%.

Sl. No.	Particulars	Nature of Security	Repayment details	As at 31 March 2022	As at 31 March 2021
ii.	Optionally convertible preference shares		Refer note (2.13.1) below	-	1462.99
iii	Redeemable Preference Shares		Refer note (2.13.2) below	392.60	385.08
				392.60	**1,848.07**

2.13.1 The Holding company has issued 929,412 Nos of Optionally Convertible Non-Cumulative Preference Shares (OCPS) with a face value of ₹ 170/- each for cash at par on a preferential basis to M/s. Nitta Gelatin Inc., Japan, a significant shareholder. Each holder of Preference shares is entitled to a preferential right for fixed dividend of 5.4029% (5 % + 6 months USD LIBOR as on record date ie, 17.04.2015) per annum on the face value of the OCPS, on a non-cumulative basis payable on prorata basis from date of allotment, if declared. The OCPS is convertible into an equal number of equity shares of face value of ₹ 10/- each within 18 months from the date of allotment (i.e 28.04.2015), in one or more financial years, at a price of ₹ 170/- each (inclusive of a premium of ₹ 160/- per share). All outstanding Optionally Convertible Non- Cumulative Preference Shares, which are not converted into equity shares at the end of the 18 months from the date of allotment are redeemable at par at the expiry of seven years from date of allotment or except as is otherwise repayable on the exercise of a put and call option at the expiry of five years from date of allotment subject to such approvals as may be required. No OCPS was converted into equity shares till the completion of the period of 18 months from the date of allotment.

2.13.2 Pursuant to the merger as detailed in Note 2.42 , the company had issued 44,44,444 numbers of Redeemable Preference shares of ₹ 10/- each to Nitta Gelatin Inc., as consideration for their equity holding of 48,00,000 shares in the Transferor Company during the financial year 2019-20. These preference shares are redeemable at par at the expiry of seven years from the date of allotment. i.e. 3 April 2019.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

2.13 Borrowings (Current) *(cont'd)*

Sl. No.	Particulars	Nature of Security	Repayment details	As at 31 March 2022	As at 31 March 2021
i	Working Capital Loans in Foreign currency from Banks (including Bills discounting)	Secured by the hypothecation of entire current assets of the Company namely inventories, debtors, cash and bank balances, other current assets and loans and advances, present and future and by way of pari passu charge on the Property, Plant and Equipment of the Company. The Interest rate is .90 % to 1.05 % over the LIBOR rates.	The loans are repayable on demand	3,019.51	4,374.01
ii	Cash Credit/Short term loans in Indian Rupee from Banks/Financial Institutions	Secured by the hypothecation of entire current assets of the Company namely inventories, debtors, cash and bank balances, other current assets and loans and advances, present and future and by way of pari passu charge on the Property,Plant and Equipment of the Company. The Interest rate ranges from 5 % to 8 %	The loans are repayable on demand	2,844.08	719.1
iii	Optionally convertible preference shares		Refer note (2.13.1) above	1,555.29	-
				7,418.88	**5,093.11**

	Particulars	As at 31 March 2022	As at 31 March 2021
2.14	**Deferred Tax Liabilities (Net)**		
	Deferred Tax Liability		
	Differences between book balance and tax balance of property, plant and equipment	893.58	971.70
	Timing differences on assessment of income	94.03	60.70
	Deferred Tax Assets		
	Unabsorbed depreciation and carried forward tax losses	-	-
	Deferred tax impact on fair value changes	(60.93)	(42.76)
	Provision for doubtful debts and others	(151.21)	(122.81)
	Provision for employee benefits	(178.37)	(127.94)
	Mat Credit Entitlement	(109.03)	(599.00)
	Others	(21.94)	(6.96)
	Deferred Tax Liabilities (Net)	**466.13**	**132.93**
	Deferred Tax Assets- Bamni Proteins Ltd	**28.21**	**18.38**
	Deferred Tax Liability- Nitta Gelatin India Limited	**494.34**	**151.31**

Movement in Deferred tax liabilities/(assets) balances during the year ended 31 March 2022

Particulars	Opening Balance	MAT credit utilisation	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred tax liability/(assets)					
Differences between book balance and tax balance of property, plant and equipment	971.70	-	(78.12)	-	893.58
Timing differences on assessment of income	60.70	-	33.33	-	94.03
Deferred tax impact on fair value changes	(42.76)	-	22.44	(40.61)	(60.93)
Unabsorbed depreciation and carried forward tax losses	-			-	-
Provision for doubtful debts and others	(122.81)	-	(28.40)	-	(151.21)
Provision for employee benefits	(127.94)	-	2.43	(52.86)	(178.37)
MAT Credit entitlement	(599.00)	489.97		-	(109.03)
Others	(6.96)	-	(11.19)	(3.79)	(21.94)
Deferred Tax Liabilities (Net)	**132.93**	**489.97**	**(59.51)**	**(97.26)**	**466.13**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

Movement in Deferred tax liabilities/(assets) balances during the year ended 31 March 2021

Particulars	Opening Balance	MAT credit utilisation	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred tax liability/(assets)					
Differences between book balance and tax balance of property, plant and equipment	1,111.32	(139.62)	(289.41)	-	971.70
Timing differences on assessment of income	93.33	(32.63)	(1.69)	-	60.70
Deferred tax impact on fair value changes	(168.00)	(80.40)	(93.65)	205.64	(42.76)
Unabsorbed depreciation and carried forward tax losses	(651.84)	651.84	553.56	-	-
Provision for doubtful debts and others	(126.30)	3.49	17.70	-	(122.81)
Provision for employee benefits	(91.58)	(17.56)	48.89	(18.80)	(127.94)
MAT credit entitlement	(396.00)	(203.00)	(118.00)	-	(599.00)
Others	(26.26)	19.30	(26.26)	-	(6.96)
Deferred Tax Liabilities (Net)	**(255.33)**	**201.42**	**91.14**	**186.84**	**132.93**

	Particulars	As at 31 March 2022	As at 31 March 2021
2.15	**Trade payables**		
	Total outstanding dues of micro enterprises and small enterprises (refer note (a) below)	162.93	220.49
	Total outstanding dues of creditors other than micro enterprises and small enterprises*	1,921.42	2,238.50
		2,084.35	**2,458.99**

Trade Payables includes provision for expenses accrued and other claims for which bills are yet to be received and pending settlement.

(a) Dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act (MSMED), 2006 to the extent identified and information available with the Company. This has been relied upon by the auditors.

	As at 31 March 2022	As at 31 March 2021
i. Principal amount remaining unpaid (but within due date as per the Micro, Small and Medium Enterprises Development Act, 2006)	162.93	220.49
ii. Interest due thereon remaining unpaid	0.47	1.63
iii. Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period.	-	-
iv. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
v. Interest accrued and remaining unpaid	0.47	1.63
vi. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

* Includes ₹ 29.86 lakhs dues payable to related party Nitta Gelatin Inc as at 31 March 2022 (31 March 2021: ₹ 34.12 lakhs)

Trade payable ageing schedule as at 31 March 2022

	Outstanding for following periods from due date of payment				
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	162.93	-	-	-	162.93
(ii) Others	695.49	10.10	-	6.40	711.99
(iii) Disputed dues – MSME	-	-	-	-	-
(vi) Disputed dues – Others	-	-	-	-	-

Gross Total	**874.92**
Accrued expenses and others	1,209.43
Total	**2,084.35**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

Trade payable ageing schedule as at 31 March 2021

	Outstanding for following periods from due date of payment/transaction				
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	219.25	1.24	-	-	220.49
(ii) Others	1,018.32	20.45	0.58	21.56	1,060.91
(iii) Disputed dues – MSME	-	-	-	-	-
(vi) Disputed dues – Others	-	-	-	-	-
Gross Total					**1,281.40**
Accrued expenses and others					1,177.59
Total					**2,458.99**

2.16 Other financial liabilities

	As at 31 March 2022	As at 31 March 2021
Current		
Interest accrued but not due on borrowings	3.04	2.24
Unpaid dividend*	15.91	13.84
Creditors for capital goods	-	9.98
Employee related liabilities	408.66	340.10
	427.61	**366.16**

* 'Earmarked balances with banks for unpaid dividend

2.17 Provisions

	As at 31 March 2022	As at 31 March 2021
Non-current		
Provision for employee benefits (net)(Refer note 2.37)		
- Gratuity	170.09	94.03
- Compensated absence	213.80	240.93
	383.89	**334.96**
Current		
Provision for employee benefits (net)		
- Gratuity	98.23	78.68
- Compensated absence	115.86	86.25
Others (refer note 2.30)	222.86	222.86
	436.95	**387.79**

2.18 Other liabilities

Current		
Advance from customer	268.63	554.25
Others		
-Statutory dues	113.84	73.23
-Deferred income	396.39	234.72
	778.86	**862.20**

2.19 Revenue from operations

	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from Sale of goods		
Sale of products	49,009.67	39,095.12
Other Operating Revenues		
Scrap sale	77.11	55.41
Export Incentive	1,482.02	461.16
Liabilities/Provision written back	12.47	12.00
Other Miscellaneous income	16.39	1.85
	1,587.99	**530.42**
	50,597.66	**39,625.54**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

		Year ended 31 March 2022	Year ended 31 March 2021
2.19.1	**Disclosure under Ind AS 115 -Revenue from contracts with customers**		

Disaggregation of revenue from contracts with customers

The management determines that the segment information reported under Note 2.29 Segment reporting is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 "Revenue from contract with Customers". Hence, no seperate disclosures of disaggregated revenues are reported.

Contract Balances

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Trade Receivables	8,882.91	6,252.25
Contract liabilities - advance from customers	268.63	554.25
	9,151.54	**6,806.50**

During the year ended 31 March 2022, the Company has recognised revenue of ₹ 553.42 Lakhs (31 March 2021: ₹ 920.75 Lakhs) arising from opening contract liabilities.

The Company's performance obligation are satisfied upon shipment and payment is generally due by 30 to 180 days

		Year ended 31 March 2022	Year ended 31 March 2021
2.19.2	**Reconciliation of Revenue from sale of goods with the contracted price**		
	Contracted price	49,117.23	39,190.02
	Less : Trade discount, rebates etc	(107.56)	(94.90)
	Net Revenue recognised from contracts with customers	**49,009.67**	**39,095.12**
2.20	**Other Income**		
	Interest Income	17.79	37.42
	Interest received on income tax refund	-	11.00
	Dividend income from non current investments	0.17	0.30
	Net gain on foreign currency translation	345.29	56.42
	Miscellaneous Income#	43.54	38.36
		457.74	**143.50**

#Miscellaneous income includes rental income and insurance claim received.

		Year ended 31 March 2022	Year ended 31 March 2021
2.21	**Cost of materials consumed**		
	Opening Stock	2,287.26	2,100.70
	Add: Purchases	28,498.32	21,291.02
		30,785.58	23,391.72
	Less: Closing Stock	3,218.33	2,287.26
		27,567.25	**21,104.46**
2.22	**Changes in inventories of finished goods, work-in-progress**		
	Opening Stock		
	Finished Goods	1,972.21	2,547.97
	Work-in-progress	4,329.31	3,709.81
		6,301.52	**6,257.78**
	Less:		
	Closing Stock		
	Finished Goods	2,351.37	1,972.21
	Work-in-progress	3,960.65	4,329.31
		6,312.02	**6,301.52**
		(10.50)	**(43.74)**
2.23	**Employee benefits expense**		
	Salaries and Wages	3,971.82	3,459.86
	Contribution to Provident and Other Funds	424.18	357.57
	Workmen and Staff Welfare Expenses	489.28	432.50
	Less: Transfer to Research & Development expenditure (Refer Note 2.26.1)	(139.68)	(120.64)
		4,745.60	**4,129.29**
2.24	**Finance costs**		
	Interest expense - on bank borrowings	478.86	503.26
		478.86	**503.26**
2.25	**Depreciation and Amortisation Expense**		
	Depreciation of tangible assets (Refer note 2.01)	1,414.52	1,540.74
	Amortisation of intangible assets (Refer note 2.02)	22.19	11.72
		1,436.71	**1,552.46**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

		Year ended 31 March 2022	Year ended 31 March 2021
2.26	**Other Expenses**		
	Consumption of Stores, Spares and Consumables	1,033.02	809.78
	Effluent Discharge Charges	105.93	134.69
	Contract labour charges	160.59	145.92
	Packing materials Consumed	417.56	326.90
	Research and Development Expenditure (See Note 2.26.1)	180.92	171.45
	Power, Fuel, Water and Gas	5,186.59	4,415.74
	Repairs		
	- Building	182.93	125.71
	- Plant & Machinery	1,070.81	899.07
	- Others	422.34	361.44
	Loading, Transportation and Other charges on products	834.82	654.49
	Freight on Exports	863.39	283.62
	Insurance	109.76	105.13
	Rent	31.53	36.03
	Rates and Taxes	167.41	210.47
	Postage and Telephone	40.28	41.34
	Printing & Stationery	22.64	18.02
	Travelling and Conveyance	133.81	120.11
	Director's sitting fee	13.75	11.00
	Payments to the auditor (See Note 2.26.2)	27.90	27.34
	Advertisement & Publicity	15.84	6.14
	Professional & Consultancy charges	208.81	233.60
	Bank Charges	57.38	55.11
	Expenses on Corporate Social Responsibility activities (See Note 2.26.3)	34.92	29.65
	Loss on assets sold/Written off (Net)	0.96	46.66
	Security service charges	244.41	246.21
	Provision for impairment on Plant and machinery	22.00	200.00
	Net loss on cash flow hedges realised	-	14.23
	Miscellaneous Expenses	331.34	261.55
		11,921.64	**9,991.36**
2.26.1	**Details of Research & Development Expenditure**		
	a) Revenue Expenditure charged to statement of profit & loss		
	Salary and Allowances	139.68	120.64
	Other Expenses (Net of recoveries)	41.24	50.81
		180.92	**171.45**
	b) Capital expenditure in relation to tangible fixed assets for Research & Development facilities	16.12	24.48
2.26.2	**Payments to Statutory auditor**		
	Statutory Audit Fees	27.11	26.21
	Other Services		
	Taxation Matters (Including Tax Audit)		
	Others (including certification)	-	0.60
	Reimbursement of Expenses	0.79	0.53
		27.90	**27.34**
2.26.3	**Corporate Social Responsibility (CSR)**		
	a. Amount required to be spent by the Company during the year	34.40	25.59
	b. Amount of expenditure incurred on:		
	i. Construction/acquisition of any asset	-	-
	ii. On purposes other than (i) above	34.92	29.65
	c. Shortfall at the end of the year	-	-
	d. Total of previous year shortfalls	-	-
	e. Reason for shortfall	-	-
	f. Nature of CSR activities	Healthcare, Education, Community Development	
	g. Details of related party transactions, e.g.,contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	All expenditure is dispersed through K T Chandy Seiichi Nitta Foundation	
	h. Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	NIL	

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

		Year ended 31 March 2022	Year ended 31 March 2021
2.27	**Earnings per share (EPS) (basic and diluted)**		
	a) Profit after tax attributable to equity shareholders	3,292.02	1,738.52
	b) Weighted average number of shares outstanding	9079160	9079160
	c) Nominal value of shares (₹)	10	10
	d) Basic earning per share (₹)	**36.26**	**19.15**
	e) Number of equity shares used to compute diluted earnings per share	9079160	9079160
	f) Diluted earnings per share (₹)	**36.26**	**19.15**

		As at 31 March 2022	As at 31 March 2021
2.28	**Assets pledged as security**		
	The carrying amounts of assets pledged as security for current and non-current borrowings are:		
	Current		
	First charge		
	Financial assets		
	Trade receivables	8,882.91	6,252.25
	Cash and Cash Equivalents	209.29	92.43
	Bank balances other than cash and cash equivalents	95.17	174.80
	Other financial assets	125.85	282.65
	Inventories	10,262.20	9,288.93
	Other current assets	858.75	388.43
	Total current assets pledged as securities	**20,434.17**	**16,479.49**
	Non-current		
	First charge		
	Property, plant and equipment (PPE) and capital work-in-progress	11,373.64	11,429.77
	Total non-current assets pledged as securities	**11,373.64**	**11,429.77**
	Total assets pledged as security	**31,807.81**	**27,909.26**

2.29 Segment Information

The Group is engaged in the manufacture and sale of products which form part of one product group which represents one operating segment, as the Chief Operating Decision Maker (CODM), reviews business performance at an overall company level. Entity-wide disclosure as required by Ind AS 108 "Operating Segment" are as follows:

(i) Revenues from external customers for each product or each group of similar products:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Sales by Products	49,009.67	39,095.12
	49,009.67	**39,095.12**

(ii) Revenues from external customers attributed to the Group's country of domicile and attributed to all foreign countries from which the Group derives revenues:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
India	23,176.99	17,660.00
Outside India	25,832.68	21,435.12
	49,009.67	**39,095.12**

(iii) Non-current assets (other than financial instruments, non current tax and deferred tax assets) located in the Company's country of domicile and in all foreign countries in which the Group holds assets:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
India	12,337.65	12,093.66
Outside India		-
	12,337.65	**12,093.66**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

(iv) The following table gives details in respect of percentage of revenues generated from top customer and revenues from transactions with customers amounts to 10 percent or more of Group's revenues from product sale:

2.29 Segment Information *(cont'd)*

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from top customer	16,346.70	12,877.90
Revenue from customers contributing 10% or more to the Group's revenues from product sale	25,190.00	22,065.74

2.30 Provisions, Contingent Liabilities and Commitments

2.30.1 Provisions

Nature of Provision	Balance as at 01.04.2021	Additional Provision during the year	Amounts used/ charged during the year	Unused amounts reversed	Balance as at 31.03.2022
Provision for Central Excise Duty. (refer Note **2.30.1(i)**)	132.29 (132.29)	- -	- -	- -	132.29 (132.29)
Provision for Central Sales Tax (refer Note **2.30.1(ii)**)	28.74 (28.74)	- -	- -	- -	28.74 (28.74)
Provision for Water Cess (refer Note **2.30.2 (iv)**)	61.83 (61.83)	- -	- -	- -	61.83 (61.83)

(Figures in brackets represents corresponding figure for the previous financial year)

2.30.1(i) Central Excise authorities have issued show cause notices proposing to withdraw CENVAT credit availed by the Holding Company on Hydrochloric Acid used in the manufacture of Ossein consumed for Gelatin production amounting to ₹ 350.75 Lakhs (31 March 2021: ₹ 350.75 Lakhs) which has been disputed by the Company. Though no demand has been raised by the department, based on legal advice received, the company has created a provision of ₹132.29 Lakhs (31 March 2021: ₹ 132.29 Lakhs) as a matter of prudence and the balance amount of ₹ 218.45 Lakhs (31 March 2021: ₹ 218.45 Lakhs) has been disclosed as a contingent liability.

2.30.1(ii) The Central Sales Tax authorities had raised demand on assessment for an earlier year amounting to ₹ 28.74 Lakhs (31 March 2021: ₹ 28.74 Lakhs) which has been disputed in appeal. Though the management is of the opinion that these demands are not fully sustainable, provision has been created in the accounts for the aforesaid amount as a matter of prudence.

2.30.2 Contingent Liabilities not provided for:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
1. Claims against the Company not acknowledged as debts:		
a. Income Tax (refer note 2.30.2(i))	167.61	167.61
b. Sales Tax (refer note 2.30.2(ii))	754.58	776.09
c. Excise Duty (refer note 2.30.1(i) and note 2.30.2(iii)	303.88	300.50
d. Water Cess (refer note 2.30.2(iv))	-	653.01
e. Customs Duty (refer note 2.30.3)	1,968.36	1,968.36
2. Counter Guarantee issued in favour of bankers	74.03	1,096.55
	3,268.46	**4,962.12**

2.30.2(i) 2.30.2(i) The Income tax authorities has made certain disallowances on assessments completed for earlier years, which are pending on appeal before the appellate authority. In the opinion of the management no provision is considered necessary for the same at this stage.

The Holding Company Company has received tax orders from the Income tax authorities reducing brought forward losses (including unabsorbed depreciation) amounting to ₹ 930.16 Lakhs (31 March 2021: ₹ 928.71 Lakhs), primarily on denial of certain expenditure upon completion of tax assessment for the assessment years 2006-07, 2007-08, 2008-09, 2012-13, 2013-14, 2014-15 and 2015-16. There is no tax demand on account of the above. The Company's appeal against the said demands are pending before appellate authorities in various stages of litigation. Further, the Holding Company has received tax orders from the transfer pricing authorities reducing brought forward losses (including unabsorbed depreciation) amounting to ₹ 512.07 Lakhs (31 March 2021: ₹ 512.07 Lakhs), primarily on transfer pricing adjustments upon completion of tax assessment for assessment years 2006-07, 2007-08 and 2008-09. There is no tax demand on account of the above. The Company's appeal against the said demands are pending before appellate authorities in various stages of litigation. The Holding Company is contesting these litigations and the management believes that its position will be likely to be upheld in the appellate process and therefore will not impact these financial statements. Consequently no provision has been created in the financial statements for the above.

2.30.2(ii) The sales tax authorities had raised demands on assessment for some earlier years amounting to ₹ 754.58 Lakhs (31 March 2021: ₹ 776.09 Lakhs) (net of bank guarantees), excluding interest on demand not quantified by the management, which had been disputed by the Company on appeal. Based on legal advice, no provision is considered necessary towards the said demands and the amount involved is disclosed as contingent liability.

2.30.2(iii) Includes demands raised by the Central Excise Authorities (including penalty thereon but excluding interest) for higher excise duties on a product of the olding Company and towards cenvat credits availed aggregating to ₹ 7.21 Lakhs (31 March 2021: ₹ 7.21 Lakhs) which have been disputed by the Holding Company before the appellate authorities; and show cause notices received from such authorities for service tax on certain deemed services and ineligible cenvat credit availed

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

aggregating to ₹ 78.22 Lakhs (31 March 2021: ₹ 74.84 Lakhs), which have been represented before adjudicating authorities. In the opinion of the management these demands/ show cause notices issued are not sustainable, so no provision is considered at this stage.

2.30.2(iv) (iv) During an earlier year, an amount of ₹ 714.84 Lakhs was demanded as water cess for extraction of river water for industrial use during the period from 01 April 1979 to 31 December 2010, in accordance with a Government Order issued on 25 July 2009. During the year Company's writ petition was allowed by the Honorable High Court of Kerala, by observing that Article 265 of the Constitution of India provide that no tax shall be levied or collected except by the authority of law, tax, duty, cess or fee levied by the State Government to raise revenue. This power could be exercised onlly under any law authorising levy and collection of tax as envisaged under Article 265.

A provision of ₹ 61.83 Lakhs towards disputed charges for the period from 25 July 2009 to 31 December 2010, being periods subsequent to issue of the Government order, was made in the accounts in an earlier year as a matter of prudence.

2.30.3 The customs authorities have issued show cause notice-cum-demand proposing classify/reassess import of a certain item of raw materials, which has been objected by the Company. During the year, the Commissioner of Customs had issued an order confirming demand of ₹ 877.15 Lakhs along with a penalty of ₹ 1091.21 Lakhs. The Company has filed appeal before the appellate authorities which is pending for disposal at this stage. As per the independent legal advice, the proposal of the department is legally incorrect and the matter has not reached finality as the appellate proceedings are pending for adjudication and hence no provision is considered necessary at this stage.

2.31 Commitments

2.31.1 Estimated amount of contracts remaining to be executed on capital account ₹ 441.84 Lakhs (31 March 2021: ₹ 125.57 Lakhs)

2.32 In respect of raw materials imported at concessional rate of duty under the Advance Authorisation Scheme, the Company has fulfilled the export obligation which is required to be fulfilled as per the Licensing Norms and has settled the differential duty along with Interest for the portion of raw material which is used for domestic market requirements. However for certain portion of the material exported, the advance license number was not endorsed in the shipping bill due to oversight. The Company is in the process of getting the endorsement effected by Customs Department for the exports so effected. The company's, application for endorsement of Advance Authorisation Number in the shipping bill for exports is pending for disposal before the Customs Authorities at this stage. Since the Company's dispute on classification / reassessment of the raw material is pending for adjudication before the appellate tribunal and based on the legal advice received, the Company is hopeful of a favourable decision. As on 31 March 2022 the Holding Company has created a provision of ₹ 68.28 Lakhs towards the duty along with applicable interest on the same as a matter of prudence.

2.32.1 In addition to 2.32 above , the Company has export obligation of ₹ 7886.80 Lakhs (31 March 2021: ₹ 4758.61 Lakhs) on account of Advance Authorisation Scheme and ₹ 135. 18 Lakhs (31 March 2021: ₹ 65.98 Lakhs) under the Export Promotion Capital Goods (EPCG) laid down by the Government of India. The Company expects to fulfil the obligation in due course of time.

2.33 In the opinion of the management, Current financial assets and Other current assets, have the value at which they are stated in the Balance Sheet, if realised in the ordinary course of business.

2.34 Leases

Rental expense recorded for short-term leases during the year ended 31 March 2022 is ₹ 33.26 Lakhs (31 March 2021: ₹ 36.03 Lakhs).

The Company's significant leasing arrangements, other than land, are in respect of office premises and warehouses taken on lease for which rent expenses has been charged to profit and loss. The arrangements generally range between 4 months to 11 months and are usually renewable by mutual consent on mutually agreeable terms. Under these arrangements, generally refundable interest free deposits have been given.

The Group's lease asset classes consist of leases for land, refer note 2.01 to the financial statements. The Group has not entered into any other material lease arrangements.

2.35 Income Tax

The major components of income tax expense are:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Current income tax:		
Current income tax charge	1,490.63	552.45
Income Tax Relating to earlier years*	-	(14.71)
MAT credit entitlement	-	(203.00)
Relating to the origination and reversal of temporary differences	(59.49)	404.42
Income tax expense reported in Statement of Profit and Loss	**1,431.14**	**739.16**
Deferred tax related to items recognised in OCI		
Income tax relating to re-measurement gains on defined benefit plans	(54.02)	(48.60)
Income tax relating to measurement of financial assets through OCI	1.14	1.46
Income tax relating to gain on cash flow hedges	(44.38)	233.98
	(97.26)	**186.84**

* During the previous financial year , the Subsidiary Companay M/s Bamni Proteins Ltd has reversed excess provision provided in the books of accounts amounting to ₹ 17.34 Lakhs with respect to the Assessment years 2013-14,2014-15 and 2017-18.

The Holding Company has evaluated the impact of the newly introduced Section 115BAA of the Taxation Laws (Amendment) Ordinance, 2019 and has decided not to opt for the same in view of the carry forward losses and MAT Credit carried by the Company in the tax books.The subisdiary M/s Bamni Proteins Limited has opted for lower rate of tax according to the newly introduced Section referred above.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Reconciliation of deferred tax (net)		
Opening balance	132.93	(255.33)
Tax credit/ (expense) during the year recognized in statement of profit and loss	(59.51)	404.42
Tax expense during the year recognised in OCI	(97.26)	186.84
MAT credit utilisation	489.97	-
MAT credit	-	(203.00)
Closing balance	**466.13**	**132.93**
Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate		
Accounting profit before tax and exceptional item	**4,915.84**	**2,531.95**
Tax on accounting profit at statutory income tax rates	1,431.49	825.07
Tax Effect of:		
Non deductable expenses	9.81	(8.18)
Tax incentives and exempt income	(51.01)	(97.15)
Others	40.85	19.42
Tax expense recognised in the Statement of profit and loss	**1,431.14**	**739.16**

2.36 Disclosure of Related Party Transactions in accordance with Ind AS 24 - Related Party Disclosures

A. Related parties and nature of relationship

i. Nitta Gelatin Inc. - Enterprise having substantial interest in the Holding Company
ii. Nitta Gelatin NA Inc. - Subsidiary of Nitta Gelatin Inc
iii. Nitta Gelatin Canada Inc. - Subsidiary of Nitta Gelatin Inc
iv. K.T. Chandy Seiichi Nitta Foundation - Trust controlled by the Holding Company
v. Kerala State Industrial Development Corporation - Enterprise having substantial interest in the Holding Company
vi. **Key Managerial Personnel**

1. In case of Holding Company
Mr. Sajiv K. Menon - Managing Director (Till 31 March 2022)
Philip Chacko M - Managing Director (From 1 April 2022)
Dr. Shinya Takahashi - Whole-time Director

2. In case of Subsidiary
Mr. E. Kesavan - Managing Director (Till 31 December 2020)
Mr. George K.A. - Chief Executive (From 1 January 2021)

3. Non Executive Directors
Dr. K Ellangovan - (Non Executive Director Till 15 February 2022))
Mr. A.P.M Mohamedhanish IAS - (Non Executive Director From 15 February 2022))
Mr. M.G. Rajamanickam
Mr. S Harikishore

4. Independent Directors:
Mr. V. Ranganathan
Mr. E. Nandakumar
Mrs. Radha Unni
Mr. Justice M. Jaichandren (Retd.)
Mr. Yoichiro Sakuma

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

B. Detail of transactions

Nature of Transaction	Enterprise having substantial interest in the Holding Company and its Subsidiaries/ Trust controlled by the Holding Company		Key Management Personnel		Total	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Sale and Income						
1 Sale of Goods						
Nitta Gelatin Inc	16,346.99	12,877.90	-	-	16,346.99	12,877.90
Nitta Gelatin NA Inc	6,950.71	5,677.65	-	-	6,950.71	5,677.65
Purchase and Expenses						
1 Purchase of Goods:						
Nitta Gelatin Inc	428.59	-	-	-	428.59	-
2 Commission expense:						
Nitta Gelatin Inc						
- For Sale of Gelatin	15.99	15.35	-	-	15.99	15.35
- For Sale of Peptide	2.97	0.78	-	-	2.97	0.78
2 Rebate/Discount expense:						
Nitta Gelatin Inc	-	-	-	-	-	-
Nitta Gelatin NA Inc	-	-	-	-	-	-
3 Technical Assistance Fee:						
Nitta Gelatin Inc	19.76	21.07	-	-	19.76	21.07
4 Interest expense on External Commercial Borrowings						
Nitta Gelatin Inc	38.15	61.06	-	-	38.15	61.06
5 Interest expense on loans						
Kerala State Industrial Development Corporation	12.45	37.76			12.45	37.76
6 Reimbursement of Expenses (Net):						
Nitta Gelatin Inc	11.31	33.11	-	-	11.31	33.11
7 Donations/Corporate Social Responsibility contribution						
K.T.Chandy Seiichi Nitta Foundation(See Note 2.29.3)	34.92	26.23	-	-	34.92	26.23
8 Remuneration (refer note (a) and (b) below)						
Mr. Sajiv K. Menon	-	-	181.80	111.15	127.65	111.15
Dr. Shinya Takahashi	-	-	24.43	24.54	24.43	24.54
Mr. E. Kesavan	-	-	-	29.32	-	29.32
9 Sitting fees						
Commission expense:	-	-	0.50	1.00	0.50	1.00
Dr. Ranganathan M.	-	-	2.25		2.25	-
S. Harikishore	-	-	0.50	0.50	0.50	0.50
Dr. K. Cherian Varghese	-	-	-	1.75	-	1.75
Mr. E. Nandakumar	-	-	3.00	3.00	3.00	3.00
Mrs. Radha Unni	-	-	3.50	2.50	3.50	2.50
Mr. Justice M. Jaichandren (Retd.)	-	-	2.00	1.25	2.00	1.25
Mr. Yoichiro Sakuma	-	-	2.00	1.00	2.00	1.00
10 Dividend paid on equity shares						
Nitta Gelatin Inc	154.51	168.76	-	-	154.51	168.76
Kerala State Industrial Development Corporation	85.87	71.56	-	-	85.87	71.56
11 Dividend on preference shares						
Nitta Gelatin Inc	119.37	119.18	-	-	119.37	119.18

Notes:

a) Remuneration paid to Managing Director for the year includes Gratuity and leave encashment paid out of liability funded/recognised in earlier years ₹ 54.15 Lakhs.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

2.36 Disclosure of Related Party Transactions in accordance with Ind AS 24 - Related Party Disclosures *(cont'd)*

C. Balance outstanding as at year end:

Nature of Transaction	Enterprise having substantial interest in the Holding Company and its Subsidiaries/Trust controlled by the Holding Company		Total	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Receivables				
- Nitta Gelatin Inc	2,971.78	1,961.81	2,971.78	1,961.81
- Nitta Gelatin NA Inc	2,637.23	1,681.65	2,637.23	1,681.65
Payables				
- Nitta Gelatin Inc				
Term loan	462.06	789.94	462.06	789.94
Other payables	29.68	34.12	29.68	34.12
- Nitta Gelatin NA Inc				
Other payables	-	23.60	-	23.60
-Kerala State Industrial Development Corporation				
Term loan	-	257.38	-	257.38

D. Transaction with related parties

In accordance with the applicable provisions of the Income Tax Act, 1961, the Group is required to use certain specified methods in assessing that the transactions with the related parties, are carried out at the arm's length price and is also required to maintain prescribed information and documents to support such assessment. The appropriate method to be adopted will depend on the nature of transactions/ class of transactions, class of associated persons, functions performed and other factors as prescribed. Based on certain internal analysis carried out, management believes that transactions entered into with the related parties were carried out at arm's length prices. The Group is in the process of updating the transfer pricing documentation for the financial year ended 31 March 2022. In the opinion of the management, the same would not have an impact on these financial statements. Accordingly, the financial statements do not include the effect of the transfer pricing implications, if any.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

2.37 A. Defined benefit plan

The Group has gratuity fund for its employees. The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity at the rate of 15 days basic salary for each year of service until the retirement age. As at 31 March 2022 and 31 March 2021 the plan assets were invested in insurer managed funds.

The following tables set out the funded status of gratuity plans and the amount recognized in Company's financial statements:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
1 The amounts recognized in the Balance Sheet are as follows:		
Present value of the obligation as at the end of the year	1,320.45	1,074.49
Fair value of plan assets as at the end of the year	(1,052.13)	(894.58)
Net liability recognized in the Balance Sheet	**268.32**	**179.91**
2 Changes in the present value of defined benefit obligation		
Defined benefit obligation as at beginning of the year	1,074.49	908.55
Service cost	77.22	65.58
Interest cost	68.76	62.50
Actuarial losses/(gains) arising from	-	-
- change in demographic assumptions	-	-
- change in financial assumptions	185.22	163.79
- experience variance (i.e. Actual experiences assumptions)	-	-
Benefits paid	(85.24)	(125.93)
Defined benefit obligation as at the end of the year	**1,320.45**	**1,074.49**
3 Changes in the fair value of plan assets		
Fair value as at the beginning of the year	894.58	845.49
Return on plan assets	63.14	62.33
Actuarial (losses)/gains	(0.92)	(8.12)
Contributions	180.57	120.00
Benefits paid	(85.24)	(125.12)
Fair value as at the end of the year	**1,052.13**	**894.58**
Description of Plan Assets		
Insurer Managed Funds (LIC of India)	1,052.13	894.58
Assumptions used in the above valuations are as under:		
Discount rate	7.51%	7.04%
Salary increase	5.84%	5.50%
Superannuation age	58	58
Attrition rate	4%	4%
Mortality	Indian Assured Lives Mortality[1994-96] Ultimate	
4 Net gratuity cost for the year ended 31 March 2022 and 31 March 2021 comprises of following components.		
Service cost	77.22	65.58
Net interest cost on the net defined benefit liability	5.62	0.17
Net defined benefit expense debited to statement of profit and loss	**82.84**	**65.75**
5 Remeasurement (gain)/loss recognised in other comprehensive income		
Change in financial assumptions	(186.14)	(171.91)
Experience variance (i.e. actual experience vs assumptions)	-	-
Return on plan assets, excluding amount recognized in net interest expense	-	-
Change in demographic assumptions	-	-
Components of defined benefit costs recognized in other comprehensive income	**(186.14)**	**(171.91)**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

2.37 B. Defined contribution plan

The Group provides benefits in the nature of defined contribution plans viz, provident fund, employee state insurance scheme and superannuation fund for qualifying employees. Under these Schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group recognised ₹ 330.71 Lakhs (31 March 2021: ₹ 292.31 Lakhs) towards contribution for mentioned funds in the Statement of Profit and Loss. The contributions payable to these plans by the Group are at rates specified in the rules of the Schemes.

C. Sensitivity analysis

Description of Risk Exposures

Valuations are performed on certain basic set of pre-determined assumptions which may vary over time. Thus, the Group is exposed to various risks in providing the above benefit which are as follows:

Interest Rate Risk: The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of liability (as shown in financial statements).

Liquidity Risk: This is the risk that the Group is not able to meet the short term benefit payouts. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Salary Escalation Risk: The present value of the above benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk: The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Regulatory Risk: Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (for example, increase in the maximum liability on gratuity of ₹ 20,00,000).

Asset Liability Mismatching or Market Risk: The duration of the liability is longer compared to duration of assets exposing the Group to market risks for volatilities/fall in interest rate.

Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Gratuity

Particulars	Year ended 31 March 2022		Year ended 31 March 2021	
	Increase	Decrease	Increase	Decrease
Discount Rate (- / + 1%)	(95.72)	110.22	(77.17)	88.92
Salary Growth Rate (- / + 1%)	107.52	(96.26)	87.95	(77.61)
Attrition rate (- / + 1%)	0.72	(1.67)	1.54	(1.60)

Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There are no changes from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

There is no change in the method of valuation for the prior period.

2.38 Fair value measurements

(i) Financial instruments by category

The carrying value and fair value of financial instruments by categories as of 31 March 2022 were as follows:

Particulars	Notes	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVTOCI
Assets:				
Investments	2.03	-	-	99.68
Cash and cash equivalents	2.09	209.29	-	-
Bank balances other than cash and cash equivalents	2.10	95.17	-	-
Trade receivable	2.08	8,882.91	-	-
Loans	2.04	6.69	-	-
Other financial assets	2.05	-	-	-
Security Deposits		403.11	-	-
Advances recoverable in cash or in kind		72.88	-	-
Hedge asset(Foreign Exchange Forward Contract)		-	34.66	-
Interest receivable		11.20	-	-
Others		32.93	-	-
Total		**9,714.18**	**34.66**	**99.68**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

2.38 Fair value measurements *(cont'd)*

Particulars	Notes	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVTOCI
Liabilities:				
Borrowings	2.13	8,614.74	-	-
Trade payable	2.15	2,084.35	-	-
Other financial liabilities	2.16			
Current maturities of long term borrowings		-	-	-
Unpaid Dividend		15.91	-	-
Interest accrued and due on borrowings		-	-	-
Hedge liability		-	-	-
Employee related liabilities		389.20		
Interest accrued but not due on borrowings		3.04	-	-
Others - Recoveries Payable		19.46	-	-
Total		**11,126.70**	**-**	**-**

The carrying value and fair value of financial instruments by categories as of 31 March 2021 were as follows:

Particulars	Notes	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVTOCI
Assets:				
Investments	2.03	-	-	94.20
Cash and cash equivalents	2.09	92.43	-	-
Bank balances other than cash and cash equivalents	2.10	174.80	-	-
Trade receivable	2.08	6,252.25	-	-
Loans	2.04	8.23	-	-
Other financial assets	2.05			
Security Deposits		412.43	-	-
Advances recoverable in cash or in kind		75.06	-	-
Hedge asset (Foreign Exchange Forward Contract)		-	188.46	-
Interest receivable		10.49	-	-
Others		30.81	-	-
Total		**7,056.50**	**188.46**	**94.20**
Liabilities:				
Borrowings	2.13	8,008.38	-	-
Trade payable	2.15	2,458.99	-	-
Other financial liabilities	2.16			
Current maturities of long term borrowings		-	-	-
Unpaid Dividend		13.84	-	-
Employee related liabilities		320.88		
Interest accrued and due on borrowings		-	-	-
Interest accrued but not due on borrowings		2.24	-	-
Creditors for capital goods		9.98	-	-
Hedge Liability		-	-	-
Others - Recoveries Payable		19.24	-	-
Total		**10,833.55**	**-**	**-**

The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, other financial assets, trade payables and working capital loans approximate the carrying amount largely due to short-term maturity of this instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(ii) Fair value of financial assets and liabilities measured at amortised cost

The management assessed that for amortised cost instruments, fair value approximate largely to the carrying amount.

(iii) Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: the fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

2.38 Fair value measurements *(cont'd)*

a) Assets and liabilities measured at fair value - recurring fair value measurement

As at 31 March 2022	Notes	Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Non current investments	2.03	20.78	-	78.90	99.68
Derivatives designated as cash flow hedges					
Foreign exchange forward contracts	2.16	-	34.66	-	34.66

As at 31 March 2021	Notes	Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Investments	2.03	15.30	-	78.90	94.20
Derivatives designated as cash flow hedges					
Foreign exchange forward contracts	2.16	-	188.46	-	188.46

Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The valuation techniques uses the exchange rates provided by banks for revaluation of balance in forward contracts as on the reporting dates.

(iv) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the fair value of quoted investments is determined using the market value for the investment. The fair value estimates are included in level 1
- the fair value of foreign exchange forward contracts is determined using market observable inputs, including prevalent forward rates for the maturities of the respective contracts and interest rate curves as indicated by banks and third parties.
- the fair value of other equity instruments have been computed based on income approach using a discounted cash flow model, which discounts the estimated cash flows using the appropriate discount rates.

2.39 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on it's financial performance. The primary market risk to the Group is foreign exchange exposure risk. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

The Group's risk management activity focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below.

(A) Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group, resulting in a financial loss. The Group is exposed to this risk for various financial instruments. The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets, as summarised below:

Assets under credit risk	As at 31 March 2022	As at 31 March 2021
Trade receivable	8,882.91	6,252.25
Loans to employees	6.69	8.23
Security deposit	403.11	412.43
Balance with bank-Deposit Accounts	11.04	11.04
Earmarked balances with banks for unpaid dividend	15.91	13.84
Advances recoverable in cash or in kind	72.88	75.06
Hedge asset	34.66	188.46
Interest receivable	11.20	10.49
Investments	99.68	94.20
Cash and Cash Equivalents	209.29	92.43
Other bank balances	95.17	174.80
Others	5.98	5.93
Total	**9,848.52**	**7,339.16**

A1 Trade and other receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India, USA, Japan and Europe. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company is exposed to a concentration of customer risk with respect to its trade receivable balances. At the reporting date, trade receivable balance from three customer represented 72 % (2021 - 70 %) of the total trade receivable balances, respectively.On account of adoption of Ind AS 109, Financial Instruments, the Group uses expected credit loss model to assess the impairment loss or gain. The provision for expected credit loss takes into account available external and internal credit risk factors and Group's historical experience for customers.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

2.39 Financial risk management *(cont'd)*

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning	33.05	33.05
Impairment loss recognised		
Impairment loss reversed	-	-
Balance at the end	**33.05**	**33.05**

Expected Credit loss for trade receivables under simplified approach
31 March 2022

Ageing	Not Due	0-90 Days	90-180 days	180-270 days	270-360 days	More than 360 days
Gross Carrying Amount	8,148.62	760.60	2.11	-	-	4.90
Expected Loss Rate	0.18%	1.19%	39.38%	78.75%	100%	100%
Expected Credit Loss (Loss allowance)	18.53	9.06	0.83	-	-	4.90
Carrying Amount of Trade Receivables (net of impairment)	8,130.09	751.54	1.28	-	-	-

31 March 2021

Ageing	Not Due	0-90 Days	90-180 days	180-270 days	270-360 days	More than 360 days
Gross Carrying Amount	5,981.71	288.83	4.50	-	-	10.26
Expected Loss Rate	0.29%	1.28%	37.50%	75.00%	100%	100%
Expected Credit Loss (Loss allowance)	17.40	3.70	1.69	-	-	10.26
Carrying Amount of Trade Receivables (net of impairment)	5,964.31	285.13	2.81	-	-	-

A2 Cash and cash equivalents

The credit risk for cash and cash equivalents, and derivative financial instruments is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Financial assets that are neither past due nor impaired

Cash and cash equivalents, advances recoverable, loans and advances to employees, security deposit and other financial assets are neither past due nor impaired.

Financial assets that are past due but not impaired

There is no other class of financial assets that is past due but not impaired.

(B) Liquidity risk

Liquidity risk is that the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, usually on a month on month basis. Long-term liquidity needs for a 360-day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

The Group's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

As at 31 March 2022, the Group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

Maturities of financial liabilities

As at 31 March 2022	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	7,938.88	675.86	-	8,614.74
Trade payable	2,084.35	-	-	2,084.35
Other financial liabilities	427.61	-	-	427.61
Total	**10,450.84**	**675.86**	**-**	**11,126.70**

As at 31 March 2021	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	5,698.99	1,924.31	385.08	8,008.38
Trade payable	2,458.99	-	-	2,458.99
Other Financial liabilities	366.16	-	-	366.16
Total	**8,524.14**	**1,924.31**	**385.08**	**10,833.53**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

2.39 Financial risk management *(cont'd)*

Particulars		As at 31 March 2022		As at 31 March 2021	
Included In	**Currency**	**Amount in foreign currency**	**Amount in ₹ Lakhs**	**Amount in foreign currency**	**Amount in ₹ Lakhs**
Financial assets					
Trade receivables	USD	77.01	5,791.67	50.08	3,655.73
	EURO	0.07	6.22	1.09	92.37
Financial liabilities					
Trade payables	USD	0.42	31.72	1.00	73.73
	Japanese YEN	13.50	8.46	27.00	18.13
Current Borrowings	USD	39.65	3,019.47	56.83	4,200.31
	EURO			1.99	173.7

Conversion rates	Financial Assets		Financial Liabilities		
	USD	**EUR**	**USD**	**EUR**	**JPY**
As at 31 March 2022	75.21	88.86	76.16	-	0.63
As at 31 March 2021	73.00	84.74	73.91	87.29	0.67

Sensitivity

The following table details the Group's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currencies net of forward contracts. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where ₹ strengthens 1% against the relevant currency. For a 1% weakening of ₹ against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative..

Particulars	Increase 31 March 2022	Decrease 31 March 2022	Increase 31 March 2021	Decrease 31 March 2021
Sensitivity				
INR/USD	27.78	(27.78)	(5.66)	5.66
INR/EURO	0.06	(0.06)	0.92	(0.92)
INR/YEN	(0.09)	0.09	(0.18)	0.18
Impact on other components of equity	**Increase 31 March 2022**	**Decrease 31 March 2022**	**Increase 31 March 2021**	**Decrease 31 March 2021**
Sensitivity				
INR/USD	(129.87)	129.87	(109.01)	109.01

Derivative financial instruments

The Group holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or in directly observable in the marketplace.

The following table gives details in respect of outstanding foreign exchange forward contracts

Particulars	31 March 2022	31 March 2021
Forward Contracts		
In USD (Lakhs)	191.25	162.83

The foreign exchange forward contracts mature within twelve months. The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as of the Balance Sheet date:

Particulars	31 March 2022	31 March 2021
Not later than one month	15.50	13.27
Later than one month and not later than three months	34.50	24.28
Later than three months and not later a year	141.25	125.28

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

a Disclosure of effects of hedge accounting on financial position

31 March 2022 Type of hedge	Nominal value	Carrying amount	Maturity date	Weighted average strike rate	Change in intrinsic value of instruments since inception of hedge	Change in the value of hedged item used to determine hedge ineffectiveness
Cash flow hedge						
Foreign exchange forward contracts	14,384	34.66	April 2022-March 2023	1USD = 77.436 INR	(154)	-

31 March 2021 Type of hedge	Nominal value	Carrying amount	Maturity date	Weighted average strike rate	Change in intrinsic value of instruments since inception of hedge	Change in the value of hedged item used to determine hedge ineffectiveness
Cash flow hedge						
Foreign exchange forward contracts	11,887	188.46	April 2021-March 2022	1 USD = 75.059 INR	814.58	-

b Disclosure of effects of hedge accounting on financial performance

31 March 2022 Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Foreign exchange forward contracts	(154)	-	-	Not applicable

31 March 2021 Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Foreign exchange forward contracts	814.58	-	-	Not applicable

C2 Interest rate risk

(i) Liabilities

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2022, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Groups' investments in fixed deposits all pay fixed interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

Particulars	As at 31 March 2022	As at 31 March 2021
Variable rate borrowing	2,751.15	2,895.39
Fixed rate borrowing	-	-
Total borrowings	**2,751.15**	**2,895.39**
Amount disclosed under other current financial liabilities	2,075.29	586.00
Amount disclosed under borrowings	675.86	2,309.39

Sensitivity

Below is the sensitivity of profit or loss in interest rates.

Particulars	31 March 2022	31 March 2021
Interest sensitivity		
Interest rates – increase by 100 basis points (100 bps)	27.51	28.95
Interest rates – decrease by 100 basis points (100 bps)	(27.51)	(28.95)

(ii) Assets

The Group's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

2.39 Financial risk management *(cont'd)*

C3 Equity price risk

The Company's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The investment in listed and unlisted equity securities are not significant.

2.40 Capital management

For the purpose of the Group's capital management, capital includes issued capital, additional paid in capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

In order to achieve this overall objective, the Group, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, trade payables, less cash.

Particulars	31 March 2022	31 March 2021
Long term borrowings	675.86	2,309.39
Current maturities of long term borrowings	2,075.29	586.00
Short term borrowings	5,863.59	5112.99
Trade payables	2,084.35	2458.99
Less: Cash and cash equivalents	(209.29)	(92.43)
Less: Bank balances other than cash and cash equivalents	(95.17)	(174.8)
Net debt	**10,394.63**	**10,200.14**
Equity	907.92	907.92
Other Equity	19,179.49	16,395.05
Capital and net debt	**30,482.04**	**27,503.11**
Gearing ratio	**34.10%**	**37.09%**

2.41 Disclosure of Additional Information pertaining to the Parent Company and Subsidiary as per Schedule III of the Companies Act, 2013

31 March 2022:

Name of the Company	Net assets (total assets - total liabilities)		Share in Profit/(loss)		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit/(loss)	Amount	As a % of consolidated comprehensive income	Amount	As a % of consolidated total comprehensive income	Amount
Parent Company -								
Nitta Gelatin India Limited	90%	18,472	76%	2,660	95.2%	(225.93)	75%	2,434
Subsidiary company - Indian								
Bamni Proteins Limited	12%	2,512	31%	1,092	4.8%	(11.27)	33%	1,080
Total		**20,984**		**3,752**		**(237.20)**		**3,514**
Consolidation adjustments	-2%	(453)	-8%	(267)	0%	-	-8%	(266)
Total	**100%**	**20,531**	**99%**	**3,485**	**100%**	**(237.20)**	**100%**	**3,248**
Minority Interests in subsidiary	2%	443	6%	192.7	1%	(1.99)	6%	191

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

31 March 2021:

Name of the Company	Net assets (total assets - total liabilities)		Share in Profit/(loss)		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit/(loss)	Amount	As a % of consolidated comprehensive income	Amount	As a % of consolidated total comprehensive income	Amount
Parent Company -								
Nitta Gelatin India Limited	92.7%	16,310.28	99.87%	1,790.44	92.79%	429.51	98.42%	2,219.95
Subsidiary company - Indian								
Bamni Proteins Limited	9.35%	1,644.17	17.15%	307.47	7.20%	33.34	15.11%	340.82
Total		**17,954.45**		**2,097.91**		**462.85**		**2,560.77**
Consolidation adjustments	-2.05%	(361.29)	-17.02%	(305.12)	-	-	-13.53%	(305.12)
Total	**100%**	**17,593.16**	**100%**	**1,792.79**	**100%**	**462.86**	**100%**	**2,255.65**
Minority Interests in subsidiary	1.65%	290.19	3.03%	54.27	1.27%	5.89	2.67%	60.16

2.42 Business Combination

Pursuant to the Scheme of Merger and Amalgamation (the 'Scheme') under Section 230-232 of the Companies Act, 2013 , duly approved by the Hon'ble National Company Law Tribunal, Chennai Bench by the Order dated 27 March 2019, erstwhile subsidiary company, M/S. Reva Proteins Limited (the 'Transferor Company') was merged with the Company with effect from 1 April 2017. Accordingly, all the assets and liabilities of the Transferor Company were transferred to and vested in the Company, on a going concern basis with effect from the appointed date (1 April 2017). The Scheme was accounted for using the Pooling of Interest Method as prescribed under the Scheme. The Scheme provides for the issuance of 44,44,444 numbers of redeemable preference shares of ₹ 10 each to Nitta Gelatin Inc as consideration for their equity holding of 48,00,000 shares in the Transferor company. The Company has allotted preference shares to Nitta Gelatin Inc during the current year. The difference between the consideration and the value of net identifiable assets taken over as of 1 of April, 2017 amounting to ₹ 2,750.62 Lakhs was treated as Capital Reserve and shown separately under the head 'Other Equity'. Consequent to the merger the management is in the process of mutation of title deeds of the following land and building of the Transferor company in its name.

2.43 Events after the Balance sheet date

The Board of Directors have recommended a final dividend of ₹ 4 per share to be paid on equity shares of ₹ 10 each. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all shareholders on the Register of Members. Dividends will be taxed in the hands of receipient, hence there will be no liability in the hands of Holding Company.

2.44 The market for Gelatin, Collagen peptide and DCP continues to be robust. Due to COVID-19 restrictions, availability of one of the major raw materials, Crushed Bone, for the gelatin industry continues to be lower than demand whereby the price remains at a very high level and with little attention to quality by many of the suppliers. Due to this, the gross profit margin is lower as compared to the pre-COVID-19 times. In the opinion of the management, this mismatch between demand and supply is likely to ease in future though quality issues are likely to continue for some time. In financial planning, the Group has taken into account the possible impact of COVID-19 on the operations of the Group, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets and impact on revenues and costs. The Group has been able to effectively manage the operations till now with appropriate safety precautions, with minimal impact of COVID-19 on the plant operations. The Group will continue to closely monitor future developments and take appropriate measures to minimise any adverse impact on the profit margin and to ensure business continuity.

2.45 a) As per the information available with the Group, the Group has no transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

b) There has been no charges or satisfaction yet to be registered with ROC beyond the statutory period.

c) The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall
1) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries).
2) provide any guarante, security or the like on behalf of the ultimate beneficiaries.

The Group has not received any fund from any persons or entities, including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall
1) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
2) provided any guarantee, security or the like on behalf of the ultimate beneficiaries.

d) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year ended 31 March 2022.

e) The title deeds of all the immovable properties held by the Group disclosed in the financial statements are held in the name of the Group.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

f) The borrowings obtained by the Group from banks and financial institutions have been applied for the purposes for which such loans were taken.

g) The Group has complied with the number of layers prescribed under the Section 2(87) of the Companies Act, 2013 read with Companies (Restriction on number of layers) Rules, 2017.

h) No loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.

2.46 No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

2.47 The Group has not been declared as a wilful defaulter by any bank or financial Institution or other lender during the period.

2.48 The Group does not have any surrendered or undisclosed income during the year in the tax assessments under the Income Tax Act, 1961.

2.49 Prior year comparatives have been regrouped/reclassified where necessary to conform with the current period/year classification.

This is the summary of accounting policies and other explanatory information referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

Krishnakumar Ananthasivan
Partner
Membership No.: 206229

Place: Kochi
Date: 6 May 2022

For and on behalf of the Board of Directors of
Nitta Gelatin India Limited

Philip Chacko M
Managing Director
DIN : 01219764

E. Nandakumar
Director
DIN : 01802428

Sahasranaman P.
Chief Financial Officer

G. Rajesh Kurup
Company Secretary

Nitta Gelatin India Limited

The Garden Factory

Awards & Accolades

INSTITUTE of QUALITY

CII
Confederation of Indian Industry

Certificate

This is to certify that team from

Nitta Gelatin India Limited

is awarded with

PLATINUM AWARD

in Karakuri Category for presenting a Case Study at the

1ST CII NATIONAL TECHNOLOGY COMPETITION

Programme Date: 26 July 2021
Certificate Unique Code: CII-IQ/2021/JULY/8633
Certificate Issued on: 29 July 2021

Vipin Sahni
Executive Director
CII Institute of Quality

CONFEDERATION OF INDIAN INDUSTRY - INSTITUTE OF QUALITY

AWARDS & ACCOLADES

Commendation Certificate from Government of Kerala for Gelatin Division

FIEO Award

Corporate Social Responsibility

Donating Laptop to Public Health Centre , Kathikudam to support Covid vaccination for public

Donating wheel chairs in association with Rotary, Chalakkudy

Receiving KMA Award -RUNNER UP in CSR Awards 2020 – Environment & Greenery Category.